

INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

**

Paris, Saturday-Sunday, October 7-8, 1995

No. 35,025

Outlines of the Balkan Plan: A Fragile Basis for Peace

By Roger Cohen
New York Times Service

WASHINGTON — The Croats have what they want. The Serbs are exhausted. The Muslims see no better option. That, four years after the wars of Yugoslavia's destruction began, is the basis on which the United States was able to announce the outlines of a road to Balkan peace.

It is a grim and perhaps fragile basis for a settlement. America took the lead in pushing for peace only after about 3 million people had lost their

homes and more than 200,000 had been killed. The result is a deep reservoir of bitterness, particularly among Bosnian Muslims, that could easily trigger renewed fighting.

This legacy, with hordes of refugees, may weigh

NEWS ANALYSIS

on the area for years. But for now, it is clear that exhaustion and a rough balance of power in the area, combined with the bullying ingenuity of Richard C. Holbrooke, the chief U.S. negotiator, made peace a real possibility.

There is still a long way to go. The central issue that has defeated all previous attempts at mediation — the division of territory — remains unresolved. In the last four years, negotiation has never caused a square foot of Bosnian land to change hands. That has been done by force alone.

"I don't think it's in the bag," said a senior State Department official. "There are very tough issues to deal with on the map, especially the fate of Sarajevo. But there's never been an opportunity like this one."

Radical changes on the ground in the last three years have created that opportunity. The Croats are now largely satisfied. They have recovered all but 3

percent of their territory within Croatia and grabbed perhaps one-fifth of Bosnia. Greater Croatia exists. This is almost certainly enough to ensure the re-election of President Franjo Tuđman this month.

The Serbs, meanwhile, have suffered serious military setbacks, losing the Krajina area of Croatia and seeing their share of Bosnia dwindle to about 49 percent from close to 70 percent. The ability they long enjoyed to dictate terms has also evaporated.

This reverse has been rooted in the decision of

See TRUCE, Page 4



President Clinton, speaking Friday in Washington, saying that the United States will take a major role in enforcing a Bosnia peace accord.

AGENDA

Andreotti Trial To Stay in Sicily

PALERMO, Sicily (AP) — A judge on Friday refused to take the trial of Giulio Andreotti out of the hands of Palermo prosecutors, dealing a setback to the seven-time prime minister who is accused of Mafia association.

Judge Francesco Ingangiola rejected a defense motion to have the case transferred to Rome, a move that very likely would have put off the trial for at least a year.

Prosecutors in Sicily have spent more than two years trying to put Mr. Andreotti on trial for alleged Mafia ties. They argued that a transfer from Palermo would remove the case from expert Mafia investigators.

THE AMERICAS Page 3.
Poverty Rate Falls in U.S.

INTERNATIONAL Page 4.
Pope Decrees Social Policy

Opinion Page 8. **Sports** Pages 22, 23.
Books Page 7. **Crusin'ard** Page 23.

International Classified Page 17.

Telecom, Broadcast Communications Page 5-12.
A Specialized Section

Dow Jones **Trib Index**

Up 6.50 **Down** 0.22%
4769.21 126.52

The Dollar **Fr. close** previous close

DM 1.4218 1.4203

Pound 1.563 1.5855

Yen 100.55 99.30

FF 4.9955 4.929

Newspaper Prices

Anhara 10 FF Luxembourg 65 L. Fr.
Antilles 12.50 FF Morocco 14 Dh
Cameroon 1.600 CFA Qatar 1.000 Rials
Egypt E.P. 5000 Reunion 12.50 FF
France 10.00 FF Saudi Arabia 10.00 R.
Gabon 350 Dr. Spain 2.25 PTAS
Greece 2,800 Lire Tunisia 1.250 Din
Italy 1.100 CFA Turkey T.L. 55,000
Ivory Coast 250 CFA Jordan 10.00 Dinar
Jordan 1.250 JD U.A.E. 10.00 Dinar
Lebanon U.S. 1.50 U.S. Mil. (Eur.) 51.20

M 0132 - 100.00 F

Under Heavy Fire, Juppé Acts to Defuse Housing Affair

Compiled by Our Staff From Dispatches

PARIS — With his popularity ratings and the French franc in a nosedive because of pressure on his government, Prime Minister Alain Juppé said Friday that he and his son would move out of apartments owned by the City of Paris following a damaging controversy over the conditions of their leases.

Mr. Juppé made the statement in an interview with France-Culture radio after justice sources disclosed that the Paris public prosecutor had opened a preliminary investigation into whether he had broken the law by taking the lease while he was the city's finance chief.

"My children have moved or are about to move in the coming weeks, and I will do the same to close an episode that has deeply wounded me," the prime minister said.

Mr. Juppé's legal problems combined with doubts over France's ability to cut public-sector deficits and concern about a one-day public service general strike next Tuesday to drag down the franc. Unions representing Air France workers called on their members Friday to join the walkout.

To make matters worse, a terrorist bombing campaign resumed Friday despite hopes by a government that the terror network had been dismantled with the killing or capture of leading suspects last week.

Two opinion polls published Thursday showed the prime minister's popularity

had slumped dramatically, apparently due to a mixture of the housing scandal and economic grievances.

The franc's sharp drop against the Deutsche mark prompted the Bank of France to take emergency action to defend the beleaguered currency.

The move by the Bank of France, which came after sell-off of the franc caused the mark to soar above 3.52 francs during the day, from just under 3.47 francs on Thursday, was being described Friday by some economists as a prelude to an interest rate hike if the franc remains under siege.

While analysts cited several economic and political reasons for the franc's nosedive, they singled out the mounting uncertainty over the future of Mr. Juppé.

A taxpayers' association has filed a civil lawsuit alleging that Mr. Juppé acted illegally by cutting his son's rent and leasing an apartment himself, renovated at taxpayers' expense, at a time when he allegedly controlled the city's private housing domain.

The preliminary inquiry, the lowest level of judicial investigation, will result in a decision either to pass the case on to an examining magistrate for eventual charges to be brought, or to drop it.

"If the justice authorities consider there is a case, it is up to them to say so and I will not lift a little finger to stop them in any way," Mr. Juppé said. "Let the legal proceedings take their course, it's that simple."

(Reuters, AP, AFP)



A Paris trader pondering the franc's fall Friday. Page 13.

Why 'Man' Climbed Down Out of Trees

New Research Finds Evidence of Crucial Cooling in East Africa

By Robert Lee Hotz
Los Angeles Times Service

LOS ANGELES — Off the coast of Africa, a Columbia University expert has discovered the first detailed evidence of ancient changes in climate that, like an impalable hand of fate, may have spurred human evolution.

No one knows for certain what forced humanity's remote apelike ancestors to forsake the trees they called home, why some prehuman species surpassed others, or why primitive human ancestors migrated out of their African homeland. There are, experts say, as many theories as there are fossils.

But the new research suggests that weather may be at the root of the human family tree.

An analysis of ocean sediments published Friday in the journal *Science* shows that in the last 3 million years the cradle of

humankind in East Africa was rocked three times by abrupt cycles of colder, drier climate. Each cycle of change coincided with the demise of some prehuman species and the development of those who became the forebears of modern humanity.

The finding by Peter deMenocal of Columbia's Lamont-Doherty Earth Observatory is a "wonderful development" that buttresses a controversial theory of the intimate connection between the African climate and human origins, several experts said.

Frank Brown, dean of earth sciences at the University of Utah, called the discovery "tremendously important."

The core samples document dramatic climate changes in East and West Africa starting about 2.8 million years ago, when the human family tree apparently split into two branches. They show a second equally abrupt change about 1.7 million years ago, at the time that humanity's most imme-

iate direct ancestor first appeared, according to fossil records.

A third shift was detected at about 1 million years ago, around the time when many experts believe that humanity's predecessors started to leave Africa.

"We can now place the fossil record of human development within the context of very detailed records of how African climate may have changed during the period of evolution," Dr. deMenocal said.

The ebb and flow of massive ice sheets in North America and Europe most likely altered the long-term weather patterns in Africa, experts said. Researchers can measure those changes by analyzing concentrations of dust blown from the interior of the continent and settling in the depths of the Gulf of Aden and other ocean sites.

The northern ice sheets could have lowered sea surface temperatures around Africa dramatically, by as much as 20 degrees, and reduced rainfall by more than 30 percent.

A Sea Change for Beijing?

It Hints at Dropping Gas Field Claim

By Michael Richardson
International Herald Tribune

SINGAPORE — Is Beijing really prepared to wind back its claim to sovereignty over virtually the whole of the South China Sea? The acid test could be a decision by the Chinese on whether to import natural gas, officials and business executives in the region say.

The Chinese have recently been making conciliatory gestures toward Southeast Asia in an effort to take some of the heat out of the dispute with its neighbors over ownership of oil, natural gas and other valuable resources in the disputed waters.

Although these steps may be helpful in defusing conflict and building confidence, the acid test may be a decision on whether to import liquefied natural gas, or LNG, from Indonesia and Malaysia.

Both countries are looking to China

NATO Chief Said to Face Corruption Indictment

Parliament Is Asked To Charge Willy Claes, Belgian Media Report

Compiled by Our Staff From Dispatches

BRUSSELS — Belgium's highest court has accused NATO's secretary-general, Willy Claes, of corruption in a bribery scandal and requested his indictment by Parliament, Belgian media reported Friday.

Television networks opened their evening newscasts by saying that the Cour de Cassation, in a report to a parliamentary commission, asked that Mr. Claes be charged with corruption. Such a move would renew the threat to his tenure as the chief of the 16-nation North Atlantic Treaty Organization.

BRTN radio first reported the charges, which are contained in a report prepared by a public prosecutor at the Cour de Cassation, Belgium's top court.

"The Cour de Cassation is asking Parliament to indict Claes," the radio station reported. "The public prosecutor is accusing Claes of corruption and forgery."

Mr. Claes, at a meeting of NATO defense ministers, in Williamsburg, Virginia, said: "I am totally innocent, I have never done anything wrong."

He said that neither he nor his lawyer had received any details about the court's report to Parliament. "I am confident in justice," Mr. Claes added.

No one at Parliament, the court or NATO would comment on the report.

The scandal centers on charges that members of the Socialist Party took bribes in 1988 to approve a military contract. Mr. Claes was a minister in the Belgian government at the time. The parliamentary commission will meet again Tuesday to discuss the case.

Last May, investigators questioned Mr. Claes for two days. He has denied any wrongdoing.

Investigators charge that in 1988 the Italian aircraft company Agusta paid 50 million Belgian francs (\$1.7 million) in bribes to obtain a 12 billion franc government defense contract. As economics minister at the time, Mr. Claes had a hand in approving the contract.

Critics of Mr. Claes have urged him to resign because the case was hurting NATO's credibility and damaging his ability to lead the alliance.

But throughout the scandal Mr. Claes has received firm official backing from the 16 NATO countries.

Mr. Claes has acknowledged hearing party members mention the bribery offer, but has said he warned them not to accept any money.

The scandal has rocked Belgian politics for years. Four high-ranking Socialist politicians, including a foreign minister and a transport minister, have been forced to resign because of their involvement.

The murder in 1991 of a leading Socialist politician and the suicide last March of a former chief of the air force have been linked to the scandal.

The newscasts did not give sources for their reports, but implied that the news had emerged after a special parliamentary commission began work on a request from the Cour de Cassation to continue its investigation into the affair.

To back up the request, the prosecutor in charge of the case, Jacques Velu, sent his report to Parliament early in September. The lower house set up the commission to decide how to deal with the request and to advise Parliament.

BRTN radio said Parliament would have to vote on the prosecutor's request, but did not give a date.

In Belgium, politicians can only be investigated with the approval of Parliament.

The 11 commission members were allowed to read Mr. Velu's report for the first time on Friday.

(AP, Reuters)

0-95

Troops in Bosnia Clear Land Mines

Their Action Paves Way For Cease-Fire Tuesday

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Teams of from Bosnian Muslim, Croatian and Serbian soldiers fanned out through a suburb of Sarajevo on Friday to clear mines in what one official called a clear sign that cease-fire in Bosnia could take effect Tuesday as planned.

The soldiers are removing mines that surround several high-tension electrical lines damaged in recent fighting. Under terms of the agreement signed Thursday in Sarajevo, electricity and gas supplies must be restored to the city before a truce can begin.

The impending cease-fire in Bosnia is seen as the most serious one to date. Since fighting erupted here three and a half years ago, there have been dozens of truces, and each one has collapsed.

Now, however, the peace process has been revived under U.S. leadership, and the Serbs, instead of holding 72 percent of Bosnia, possess about half as a result of two weeks of NATO air strikes and a largely successful offensive by Muslims and Croats.

UN officials had originally said that it would take up to two weeks to clear the mines and repair the line — one of two main lines that supply electricity to Sarajevo.

But after pressure was brought by a U.S. envoy, Richard C. Holbrooke, on President Franjo Tuđman of Croatia, who backs Croatian forces near Sarajevo, Croats started clearing mines Friday morning.

Hours later, Serbian and Bosnian Muslim soldiers appeared on their neighboring territory and followed suit.

Sarajevo's water system is run by electrical pumps. Without power there is no water to the city other than that used for emergencies.

Gas must also come to the city for a truce to begin.

That, however, depends more on Russia than it does on the Serbs. While Russia turned off the gas to Sarajevo several months ago at the request of the Bosnian government, it refused

to turn the gas back on when the Bosnian government asked it to because Russia claims Bosnia owes it \$100 million for gas supplies since the war began.

Prime Minister Haris Silajdžić of Bosnia visited Moscow this week and secured a deal under which the Russians are expected to turn the gas back on.

Russia Is Welcome

Defense Secretary William J. Perry said Friday that NATO was eager to include Russia in a military force to implement a Bosnia peace deal but will not give Moscow an equal command role. The Associated Press reported from Williamsburg, Virginia.

Mr. Perry said he would sound out the Russian defense minister, General Pavel S. Grachev, on the limits of Moscow's flexibility at a meeting Sunday in Geneva.

"We will be as flexible and creative as possible," Mr. Perry said at a news conference before the closing session of a two-day NATO defense ministers conference. "But there will be a red line over which we cannot cross."

That line, Mr. Perry said, is the requirement that command of a peace implementation force in Bosnia be unified under NATO, not shared with Russian generals.

"We will not establish a dual key over military operations in Bosnia," he said.

Michael Portillo, the British defense minister, said at a news conference that the "main condition" for Russian participation was its agreement to give NATO full control.

The alliance has agreed that no force would be sent to Bosnia until a final peace deal is signed. Peace negotiations are to begin later this month.

General George Joulwan, NATO's commander in Europe, said the American public should understand that any military operation in Bosnia will be dangerous.

As many as 25,000 U.S. troops could be involved in a peace force, although General Joulwan stressed that the exact makeup of the force is yet to be determined.



Yitzhak Rabin gesturing during the Knesset's 15-hour debate over his government's autonomy pact with the PLO.

Sepp Niedzwiedz/Agence France Presse

Rabin Barely Wins Confidence Vote

By Barton Gellman
Washington Post Service

JERUSALEM — Prime Minister Yitzhak Rabin won a narrow victory on Friday over opposition parliamentary forces in a vote of confidence on his government and its week-old West Bank accord with the Palestinians.

Mr. Rabin's precarious coalition mustered 61 votes in the 120-seat Knesset or legislature, early Friday after a tumultuous 15-hour debate.

The accord signed Sept. 28 between Israel and the Palestine Liberation Organization needs no ratification under Israeli law. But in practice, a defeat would probably have led to early elections and thrown the government into doubt.

The agreement, which calls for Palestinian elections and the withdrawal of the Israeli Army from Arab cities and towns, makes no attempt to define final borders between the two peoples. In its parliamentary defense, Mr. Rabin gave the clearest picture to date of how he wants to redraw the West Bank's political map.

Palestinians, he said, should run their lives "independent

ly" of Israel, but in "an entity which is less than a state."

Most of the West Bank should come under Palestinian self-rule, he said, but he named several parts of the territory captured from Jordan in the 1967 Middle East War in which he said Israel should keep permanent control.

The first is East Jerusalem and a broad swath of West Bank land around it.

"United Jerusalem," Mr. Rabin said, would include both the settlements of Maale Adumim to the east and Givat Ze'ev to the north — far exceeding even the much-expanded municipal boundaries of recent years — and would be the "capital of Israel, under Israeli sovereignty."

Israel's "security border," he said, would be the Jordan Valley, "in the broadest meaning of that term."

Officials said he meant that the Israeli Army would retain substantial forces and freedom of movement there, whatever the political complexion of the West Bank.

The prime minister also said he would want to establish "blocks of settlements" in the West Bank, such as the one drawn inside the self-ruled Gaza Strip last year. That block, known as Gush Katif, combined what had been isolated Jewish settlements into a chunk of land amounting to nearly one-fifth of Gaza.

The PLO leader, Yasser Arafat, says that his minimum demand is a Palestinian state encompassing all of the West Bank and Gaza, with East Jerusalem as its capital.

Mr. Rabin described the border changes as something "which we envision and want," but he did not call them irreducible demands.

He has been signaling for months, and in recent inter-

views, that his opposition to a sovereign Palestinian state might soften in the next round of talks.

It was that impression of softness that Binyamin Netanyahu, leader of the opposition Likud Party, attacked most strongly in parliamentary debate on Thursday.

Mr. Rabin, he said, addressing him directly, was turning Israel into "a small, threatened country whose security is dependent on the goodwill of Arafat."

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Mr. Netanyahu, known as a secular man in his private life, also pressed the religious-nationalist view said that all of the West Bank is God's patrimony to Abraham and his descendants.

Some in U.S. Gain Against Poverty Blacks Make Progress

By Barbara Vobejda
Washington Post Service

WASHINGTON — The number of Americans living in poverty dropped by 1.2 million last year, the first decline since 1989 and a trend led by increased earnings among blacks, particularly married couples, according to a Census Bureau report.

The rate of poverty also fell, to 14.5 percent from 15.1 percent between 1993 and 1994, the first time in a decade that both the rate and the number of poor dropped.

Overall, the report provided a mixed picture, where minorities and children remain disadvantaged, but economic improvements have helped some Americans climb the income ladder, especially those in families with married couples.

Black households were the only race or ethnic group to have their real median incomes increase, seeing a rise of 5 percent, to \$21,027. Poverty for a family of four is defined by an income of \$15,141.

But even as the status of some poor Americans improved, the proportion living below the poverty line remained much higher than it was in the late 1960s and '70s. And the report underscored that

those at the top of the economic scale had made much-greater gains than those at the bottom.

"It tells a sorry story about the maldistribution of economic progress," said Henry Aaron, an economist at the Brookings Institution. "The rewards paid to people who have skills valued in the economy have been skyrocketing, while those who bring simply hard work and maybe muscle to the job have enjoyed no improvement in their living standards for a quarter of a century, and many have suffered."

But Mr. Aaron and other analysts agreed that the falling poverty figures were good news, as were the improvements for blacks. Also, poverty rates among children, although still higher than other age groups, declined to 21.8 percent from 22.7 percent.

The annual report, the government's largest survey of economic conditions, also found that median household income, after being adjusted for inflation, had remained virtually flat at \$32,264 and had yet to recover from the recession of the early 1990s.

Among racial and ethnic categories, black people generally made stronger gains, although their poverty rates remain much higher than those for whites.



Hurricane-battered houses on a beach near Panama City, Florida, after the storm blew past the Panhandle.

After Storm, Floods Threaten Florida

The Associated Press

PANAMA CITY BEACH, Florida — Panhandle residents still cleaning up from the ravages of the hurricane designated Opal awoke Friday to a new threat: flooding from storm-swollen rivers.

The heavy rains that the hurricane brought to Alabama and Georgia were causing rivers downstream in Florida to swell, forcing evacuations late Thursday

and Friday along the Blackwater and Yellow rivers east of Pensacola. Both rivers empty into the Gulf of Mexico.

"We're downstream from everything," said Jo Migliano, a spokeswoman for the state Emergency Operations Center.

Floods were the latest damage from the hurricane, which killed at least 17 people in

Florida on Wednesday with winds up to 144

miles an hour (235 kph). The hurricane caused an estimated \$1.8 billion in damage to insured property along the Gulf.

Thousands of frustrated, angry and tired beachfront residents who had fled to Alabama and Georgia began returning home.

But many returned only to find that the authorities had sealed off the hardest-hit areas to forestall looting, repair roads and assess damage.

Away From Politics

• Winds died down dramatically in Inverness, California, and fire fighters made headway at saving the town from a wildfire that has charred 11,100 acres of Northern California's most scenic shoreline. About 2,000 fire fighters set backfires to starve the fire that has threatened Inverness, an artist colony and tourist town of about 1,000 residents 30 miles (48 kilometers) north of San Francisco. (AP)

• Two men were charged in the beating death in Charleston, West Virginia, of Everett Knapper, 55, an assistant principal who was found dead in his bedroom on Wednesday. Richard Larry Lawson, 24, and Frank Edward West, 28, were charged Thursday with first-degree murder. (AP)

• A magnitude 6.4 earthquake in Alaska, was a victim of mob retaliation. (AP)

centered 40 miles northwest of Fairbanks, knocked books off shelves and briefly disrupted phone service Thursday, but there were no reports of injuries or major damage. (AP)

• Oklahoma Natural Gas Co. sued Thursday for the rights to a famous photograph of the federal building bombing taken by an employee whom the company has since fired. The suit argues that Lester LaRue, a former safety coordinator, was on company time and using company equipment when he took the photograph of a fire fighter carrying the limp body of a year-old baby, Baylee Almon. (AP)

• A construction contractor in Philadelphia was shot and killed in his car Thursday, hours before his brother — a hit man turned informant — was to testify against the reputed boss of the Philadelphia mob. The police said they did not think that William Veasey, 35, was a victim of mob retaliation. (AP)

Clue to Alzheimer's Is Confirmed

The Associated Press

WASHINGTON — Researchers have confirmed a correlation between Alzheimer's disease and high spinal-fluid levels of a certain protein. The discovery, they say, is a tool for early diagnosis and may eventually lead to a treatment.

"We're on the cusp of having something, and it could get better yet," said Dr. John Trojanowski of the University of Pennsylvania, one of the authors of a study published in the *Annals of Neurology*.

It corroborates recent findings that monitoring height-

ened levels of the protein tau in cerebrospinal fluid can help confirm an early diagnosis of Alzheimer's in older patients with memory loss.

Diagnoses are generally made by mental-ability tests and brain scans. Biochemical confirmation has not been possible except by autopsy.

The new test, not yet generally available, measures tau levels in spinal fluid extracted from a puncture in the patient's lower back. Tau, a protein common to everyone, is found mutated in Alzheimer's patients and is the building block of

brain "tangles" inside the brain's nerve cells that are a sure sign of the disease.

Creighton Phelps, director of the government's Alzheimer's Disease Centers program, said that now that tau's role had been identified, researchers would turn to designing new proteins or treatments that might block its growth or prevent its mutation.

Confirmed early diagnoses will allow researchers to follow the disease's development and to experiment with treatments while there are still healthy brain cells.

POLITICAL NOTES

Women Side With Clinton in Poll

WASHINGTON — A new poll has found that undergirding a tendency among women to favor President Bill Clinton's re-election is a resistance to Republican positions on major issues.

The poll, by the Times Mirror Center for the People & the Press, also found that all Republican presidential contenders suffer from a disadvantage among women voters. But that could change if Colin L. Powell, former chairman of the Joint Chiefs of Staff, enters the race, according to the poll.

About 67 percent of women interviewed said they might vote for Mr. Powell if he runs for president. Nor is there a gender gap to Mr. Powell's support: 66 percent of men also said they might vote for him.

The poll shows Mr. Clinton winning a theoretical three-way race, with 42 percent backing him, compared with 35 percent for the Senate majority leader, Bob Dole, the Republican front-runner, and 19 percent for Ross Perot.

Mr. Clinton owes nearly all his margin to women, 44 percent of whom supported him, compared with 33 percent for Mr. Dole and 18 percent for Mr. Perot. (LAP)

Moving Out of a Nuclear Bunker

CHARLESTON, West Virginia — The Defense Department has relinquished control of a once-secret underground bunker built during the Cold War to house members of Congress and their families during a nuclear attack.

The structure is deep beneath the West Virginia Wing of The Greenbrier, a mountain resort in White Sulphur Springs.

The government gave up its lease July 31, according to a letter from Assistant Secretary of Defense Emmett Paige Jr. that was released by Senator Robert C. Byrd. Mr. Paige said the action had not been announced until now at the request of the resort's owner, CSX Corp.

Greenbrier's president, Ted Kleisner, said he'd decide by year-end when to allow the public to see the bunker. (AP)

Perot Backers Miss a Deadline

LOS ANGELES — Supporters of Ross Perot in California are scrambling to overcome an unexpected obstacle to qualifying their new political party in time for the 1996 presidential election.

The California secretary of state, Bill Jones, told Mr. Perot's United We Stand America organization that his office had miscalculated the effective deadline for collecting 890,064 signatures on petitions to put the party on the ballot — and that it already had passed. Mr. Perot's group now must focus on the alternative route — registering about 89,000 new voters by Oct. 24 — which is considered tougher.

Under California election law, both procedures are valid for establishing a new party, and the Perot organization had been pursuing both. But that changed abruptly Thursday in the wake of Mr. Jones's announcement that since state law allows counties up to 38 days to certify signatures before a Nov. 13 deadline, the effective deadline for the petition process passed this week. (WP)

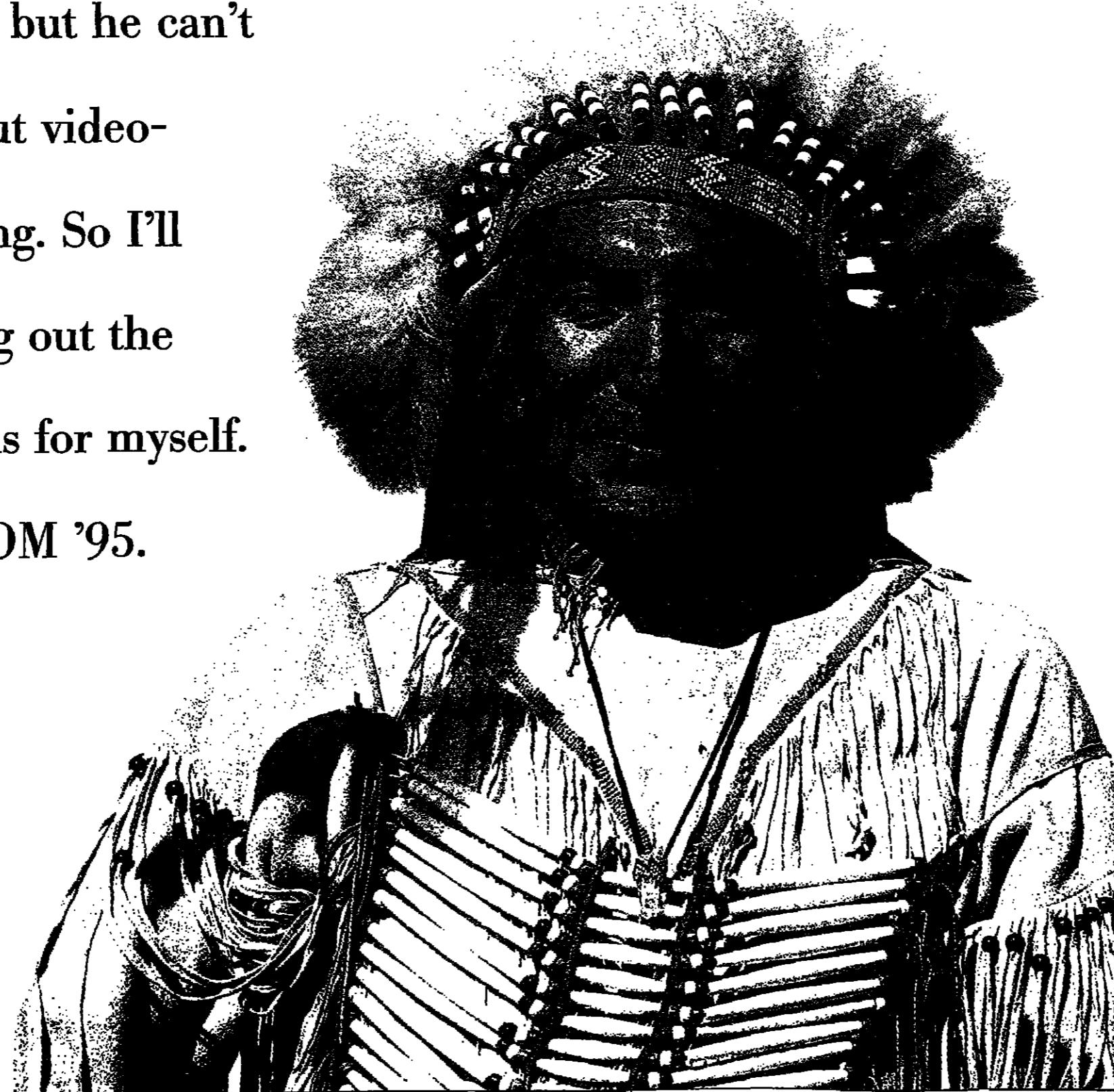
For the Record

Mel Reynolds, a former U.S. representative from Illinois, has begun serving his five-year prison sentence for his conviction on charges of sexual misconduct, including having had sex with an underage campaign worker. (AP)

Quote / Unquote

Senator Daniel Patrick Moynihan of New York, on senators who voted for a bill that would reduce welfare payments: "History will shame them." (AP)

The Great Spirit guides
my people, but he can't
advise about video-
conferencing. So I'll
be checking out the
new systems for myself.
At TELECOM '95.



This October, in Geneva, IBM will be putting on some spectacular presentations at TELECOM '95.

They will take the form of six incredible displays, bringing together live presentations and dramatic technology demonstrations with our experts as the performers. They'll cover topics from marketing on the net to downloading video from the top of a mountain.

And, equally importantly, you'll be able to discuss them with our staff at our exhibition stand.

Just because we're into video-conferencing, it doesn't mean we don't want to meet you in the flesh.

Come and see us at Palexpo (Hall 4) or check our Web page on <http://www.ibm.com/telecom95/>

IBM

Solutions for a small planet

13 Wounded by Bomb in Paris As Terror Suspect Is Buried

By Craig R. Whitney
New York Times Service

PARIS — A homemade bomb planted in a trash can slightly wounded 13 people on Friday in southern Paris, just across from a subway station with the same name as the Lyon suburb where the police killed a 24-year-old Algerian-born French youth suspected as being the ring-leader of a wave of Islamic terrorist bombings.

Khalid Kelkal, who the French Justice Ministry said had been a key suspect in planting a bomb made from a gas canister that killed seven people and wounded nearly a hundred in another Paris subway station on July 25, was buried Friday in the Muslim section of a cemetery near Lyon a few hours before the latest bomb, of similar design, exploded across from the Maison Blanche subway station in Paris, near the Place d'Italie.

The police said that nuts and bolts packed around the gas canister flew for hundreds of feet in the explosion Friday, shortly after 4 P.M. A passing mailman had spotted the device, wrapped in a plastic bag, in the trash can and called the police, who roped off the Avenue d'Italie, a main artery, but the bomb went off before they could disarm it. Several cars were also damaged in the blast.

[An anonymous caller to the French radio station RTL took responsibility for the bombing in the name of the "Armed Islamic Group General Command," referring to a violent group based in Algeria. The Associated Press reported.]

French authorities say they are convinced that all the incidents in the most serious terrorist violence here since a wave of bombings in 1986

are the work of Islamic fundamentalists opposed to France's support for the military government of Algeria.

If nothing else, the explosion Friday seemed to show that others besides Mr. Kelkal, who was shot and killed last Friday in a Lyon suburb called La Maison Blanche, must be involved in the bombing campaign, despite Justice Minister Jean-Louis Debré's statements a week ago naming him as the main instigator.

As members of his family and friends buried him in Villejuif-la-Petite on Friday afternoon, Le Monde published a transcript of an extended interview with Mr. Kelkal that had been conducted by a German sociologist, Dietmar Loch, as part of a study of ethnic communities in the region three years ago.

Mr. Kelkal gave no hint of sympathy with terrorism, but told his interviewer: "I am neither Arab nor French — I am Muslim."

"I didn't find my place in high school," he said. "That's when it started. We stole, we began hanging around. We saw that we could make money by stealing."

"My mother asked me: 'What's going on with you? I don't recognize you from one day to the next.' The more I became mixed up with delinquency, the less contact I had with my family."

"I began saying: 'I have to get involved with religion. I have to pray.' The day I stopped praying was when I started getting in all kinds of trouble. When I stopped with Ramadan, and prayer, where did I end up? In the hole, in prison."

"One thing I'd like to do: leave France altogether. For where? Back home, Algeria. I have no place here. Because now all an employer has to do is ask: He's been in prison. When something gets stolen, I'll be the guilty one."

Blast Hits Russians in Chechnya

Compiled by Our Staff From Dispatches

French Snap at Critics Of Their Nuclear Tests

Compiled by Our Staff From Dispatches

PAPEETE, Tahiti — France struck back Friday at critics of its nuclear testing in the South Pacific.

The president of French Polynesia, Gaston Flosse, accused Australia and New Zealand of inciting hatred of France through opposition to the tests.

And the French ambassador to Australia accused some Australian schools of brainwashing students into believing that his country was a criminal state for conducting the tests.

"I think that brainwashing children against another country is itself an aggression to the children," said the ambassador, Dominique Girard.

Mr. Flosse, meantime, told the French Polynesian Parliament that "extremist" elements in the territory had waged "a process of subversion," promoting "racial and social and political hate."

"They rely on states like Australia and New Zealand, or international organizations such as Greenpeace, for different motives — the hate of Western society, economic interests, the hate of France and the will to get it out of the Pacific," Mr. Flosse said.

In Kuala Lumpur, Prime Minister Mahathir bin Mohamad said Friday he would soon gather all political parties in Malaysia to criticize unanimously France's nuclear tests.

(Reuters, AFP)

GROZNY, Russia — Russia's military commander in the breakaway republic of Chechnya was critically wounded Friday in a bomb explosion.

Lieutenant General Anatoly Romanov, 47, was hospitalized in grave condition after suffering a cranial wound. His deputy, Colonel Alexander Zaslavsky, and the driver were killed in the blast, which also wounded at least nine Russian troops.

The explosion occurred in the Chechen capital, Grozny, as General Romanov's motorcycle was going through an underpass.

The remote-controlled bomb also killed or wounded at least several passengers on a commuter bus passing through the underpass at the same time as the general's motorcycle.

It was the second major attack on a senior Russian official in three weeks. On Sept. 20, a powerful bomb explosion narrowly missed Oleg Lobov, President Boris N. Yeltsin's envoy in Chechnya.

Mr. Yeltsin's spokesman said Moscow would stick to agreements reached at peace talks with Chechen separatist rebels.

"The president considers that the federal authorities in Chechnya will adhere to earlier agreements on a peaceful settlement of the conflict despite provocation and terrorist acts," Interfax news agency quoted the spokesman, Sergei Medvedev, as saying.

But the attack is certain to exert fresh pressure on the fragile cease-fire negotiated between Russian forces and separatists that was negotiated in July.

The bomb attack was apparently also aimed at Russia's interior minister, General Anatoly Kulikov, who was touring Chechnya but left for Moscow earlier than expected, the ministry said. (AP, Reuters)

Pope Urges America to Help Poor, Aid Family

By John M. Goshko
Washington Post Service

NEW YORK — Speaking from a high altar erected on the immaculately manicured lawns of Aqueduct Race Track, Pope John Paul II challenged Roman Catholics on Friday to add vibrancy to American life by helping the poor and by defending the sanctity of marriage and family life.

Celebrating a mass for 75,000 communicants, John Paul said these goals were part of "the mystery of God's kingdom and his message of life and salvation."

Americans, he warned, although justifiably proud of their great advances in science, technology and economic progress, must not forget that in sight if they are to have a truly vibrant national culture.

On the third day of his U.S. visit, John Paul crossed the East River to transform the fields that normally echo to the hooves of thoroughbreds into a spiritual arena.

In his homily, he bore down hardest on a theme that long has been one of the most prominent threads in the tapestry of his papal preachments: his fear that the pressures of modern life can cause the disintegration of the family.

The Pope spoke as the guest of the diocese of Brooklyn, which includes the New York City boroughs of Brooklyn and Queens, where Aqueduct is situated.

The diocese is an area in social and economic flux, containing many pockets of newly arrived, impoverished immigrants. And John Paul, who has spoken out several times here about his concern for the poor, sought to underscore that theme again Friday.

He did it by symbolically delivering part of his homily in Spanish and by using New York as a metaphor for both his hopes and concerns about the United States.

"America has a reputation the world over, a reputation of power, prestige and wealth," he said. "But not everyone here is powerful; not everyone here is rich. In fact, America's sometimes extravagant affluence often conceals much hardship and poverty."

The remote-controlled bomb also killed or wounded at least several passengers on a commuter bus passing through the underpass at the same time as the general's motorcycle.

As a result, while the Muslim-Croat federation has been fighting with the decisive support of the Croatian Army, the Bosnian Serbs have been relatively beleaguered. In effect, Mr. Milosevic has brought the Bosnian Serbs to heel.

He is to be rewarded later this month with a visit to the United States, when talks among the presidents of Serbia, Croatia and Bosnia will begin at a secluded site, as yet undetermined.

Such a visit amounts to the culmination of a long-sought rehabilitation for Mr. Milosevic, who has long wanted to overcome his image in America



Pope John Paul II arriving Friday at Aqueduct.

Tokyo Police Arrest Cult's Spokesman

Compiled by Our Staff From Dispatches

TOKYO — The spokesman of the Japanese sect Aum Shinrikyo was arrested early Saturday at the group's headquarters.

Japanese television showed Fumihiro Joyu, 32, smiling and wearing a protective helmet as he was led away by the police.

Mr. Joyu has led the cult since mid-May, when the police arrested its guru, Shoko Asahara, on murder charges for the nerve gas attack in the Tokyo subway in March, which killed 11 people and injured more than 5,000 others.

As the police were preparing to arrest Mr. Joyu late Friday, a man opened fire outside the cult's headquarters.

The shooting took place despite tight security. Hundreds of reporters and other onlookers had been waiting for hours for the arrest of Mr. Joyu, who used to run the sect's Moscow branch.

Up to five shots were heard. No one was hit and the gunman, described as a young man wearing army fatigues, was quickly detained by the police. The authorities later identified him as Shoji Sakama, 27, who claimed to be a member of a group called Kokoyaku-kai, a rightist organization.

The Tokyo headquarters was

the scene of the fatal stabbing in April of Hideo Mura, a top Aum official whom the police had called a central figure in the subway attack.

Mr. Joyu was arrested for allegedly ordering followers to give false testimony to the authorities. Reports said that an accountant for the sect was also arrested.

The arrest of Mr. Joyu would in effect decapitate the beleaguered sect because all other senior leaders are already under arrest.

Mr. Joyu became a household name in Japan for his daily television appearances to maintain the sect's innocence after scores of followers had been arrested.

He has remained a defiant defender of Aum and Mr. Asahara, whose trial begins on Oct. 26 for the subway attack, the killing of a rebellious follower and the production of illegal drugs and chemicals.

Meanwhile, a court held a closed-door hearing on the sect Friday as part of proceedings toward a possible order to disband it. The Tokyo District Court officials refused to comment on the hearings. It was not clear when the court would reach its decision.

BRIEFLY ASIA

Seoul Denies Nuclear Bomb Plan

SEOUL — South Korea's Agency for Defense Development denied Friday that it almost made a nuclear bomb in the late 1970s as suggested by an opposition member of Parliament.

"We did it not about a nuclear bomb," a spokesman said. "Yesterday was the first time that we heard that we were involved in a nuclear project. It is just not true."

Kang Chang Sung, an opposition lawmaker on Parliament's defense committee, said Thursday that he had heard President Park Chung Hee saying in September 1978 that the agency was involved in building a nuclear bomb and that the device was about 95 percent complete. "The ADD said the nuclear bomb would be completed in the first half of 1981," said a statement from Mr. Kang's office.

"But right after former President Chun Doo Hwan took power, the U.S. promised to secure his position if he promised to give up building the nuclear bomb," it said.

(Reuters)

Malaysian State Sours on Show Biz

KUALA LUMPUR — Kelantan state, ruled by Muslim fundamentalists, has banned all public singing and dancing in the state capital, Kota Baru, describing reviling such performances as un-Islamic, or *haram*, local news reports said.

"From today, all charity drives, cultural shows, concerts or any functions which involve singing and dancing are banned," said the Kota Baru municipal council president, Hassan Abdullah, as quoted Friday by the Star daily.

He said the ban followed a directive from the state government, led by Parti Islam, classifying such performances as contrary to religious beliefs.

Parti Islam has sought to imbue Islamic principles into the daily lives of the Kelantanese people since it won control of the largely agricultural northeastern state in 1990.

North Korean Leader Shows Up

SEOUL — Kim Jong Il made a rare appearance to inspect a monument built to celebrate the 50th anniversary of the Communist Party's founding, the official Korean Central News Agency said.

The visit on Thursday came amid increasing doubts on whether the reclusive Mr. Kim will formally succeed his late father, Kim Il Sung, as the head of the Workers Party during next week's anniversary.

Almost all of Mr. Kim's visits since the older Mr. Kim's death 15 months ago had been army-related. Mr. Kim is the head of the 1.25-million-strong armed forces, but has not assumed two other posts held by his father, president and party head.

There had been speculation that Mr. Kim, 53, would assume formal powers during the anniversary. But his half-brother Kim Pyong Il, North Korea's ambassador to Finland, has told reporters that he is unfamiliar with any inauguration plans.

VOICES From Asia

Jiang Zemin, president of China, at an international conference in Beijing: "Corruption is a disease of the healthy organ of society."

Wei Wei Pu, a Hong Kong newspaper with ties to China, on the O.J. Simpson trial: "The United States attacks others on human rights everywhere. But look at its racial discrimination — the human rights of American blacks, torture of prisoners and the hard labor of chained inmates — and you will understand the principle of correcting oneself before criticizing others."

(AFP)

CHINA: A Hint It May Cede Gas Field Claim in Sea

Continued from Page 1
China Sea off the Malaysian state of Sarawak.

The companies are Royal Dutch/Shell Group of Britain and the Netherlands, Occidental Petroleum Corp. of the United States and Nippon Oil Co.

The new plant will be built near the two existing gas plants in Bintulu at a cost of about \$6.5 billion, adding 6.6 million tons of new LNG capacity a year after it starts operation in the year 2000.

Administration officials insist that everything possible will be done to insure that Bosnia is not partitioned. Economic aid will be fashioned in such a way as to discourage splitting the country, and efforts will be made to insure that the final constitution will give the central government of Bosnia real power.

In any settlement, however, Bosnia is to be a state with three armies — the loosely tied, but mutually suspicious, Croatian and Bosnian government forces on one side, and the Serbs on the other. If the NATO force only consolidates the lines between these armies, the ultimate death of Bosnia may become inevitable.

The Natuna gas field is about 1,100 kilometers (700 miles) north of Jakarta and 223 kilometers northeast of the Natuna Islands, Indonesia's northernmost territory in the South China Sea.

In 1994, China imported an average of 247,000 barrels per day of crude oil and 301,000 barrels per day of oil products, according to the Statistical Review of World Energy compiled by British Petroleum Co.

Tang Zhenhua, vice president of China National Offshore Oil Corp., said recently that the country had started talks with suppliers in the Middle East, Southeast Asia and Russia on the possible sale of gas to China under long-term contract for use in power generation and other industries.

The gas from Russia or one of the central Asian republics in the former Russian Federation would be piped overland.

Of the LNG suppliers, Southeast Asia is thought to have a clear edge over the Persian Gulf because it is a less volatile region politically and is closer to China.

THE WHOLE STORY. HALF THE PRICE.

The International Herald Tribune. All the news, views and features from around the world, as they happen. Subscribe.

Yes, I would like to start receiving the International Herald Tribune.

The subscription term I prefer is:

12 months (plus 2 free months)

3 months (plus 2 free weeks)

Please charge my:

American Express Diners Club VISA

Access MasterCard Eurocard

Credit card charges will be made in French Francs or current rates.
Card No: _____
Expiry Date: _____
Signature: _____
For business orders, please indicate your VAT No:
(INT VAT Number R07473202126)
Mr./Mrs./Ms. Family Name: _____
First Name: _____
Mailing Address: _____
City: _____
Code: _____
Country: _____
Home Tel No: _____
Business Tel No: _____
I do not wish to receive email from other companies

Mail or fax to: International Herald Tribune
181, avenue Charles de Gaulle, 92251 Neuilly Cedex, France
Fax: (+33 1) 41 43 92 10
OR CALL (+33 1) 41 43 92 61
In Asia, call: (+852) 29 22 11 88,
In the USA, call toll-free 1-800-882-2884
Offer valid for new subscribers only.

via the
Herald Tribune

Plea Plan Denied by Lawyer for Simpson

Compiled by Our Staff From Dispatches

LOS ANGELES — Robert Kardashian, one of O. J. Simpson's closest friends, said that Robert Shapiro, a fellow defense team lawyer, at one point speculated whether Mr. Simpson should plead guilty to manslaughter if the prosecution ever offered a plea bargain.

Mr. Shapiro quickly denied Mr. Kardashian's allegation, saying: "There was never, ever discussion of anything other than going to trial and having this tried by a jury."

Mr. Shapiro said Mr. Simpson "had told me he is innocent from the beginning and he never wavered from that."

Mr. Kardashian said Mr. Shapiro made the statement during a defense strategy session early in the trial. As part of that scenario, Mr. Shapiro discussed whether Mr. Kardashian should implicate himself as an accessory to the slayings of Nicole Brown Simpson and Ronald L. Goldman.

Mr. Kardashian has said he never looked into the garment bag he was seen carrying at Mr. Simpson's home after Mr. Simpson returned from his trip to Chicago.

Mr. Kardashian said he vehemently objected to playing out such a plea scenario. Explaining that it was in a "what-if-the-prosecution-came-to-us" context, Mr. Kardashian said he told Mr. Shapiro: "Absolutely not. What would I plead to? I have done nothing."

Mr. Kardashian related that Mr. Shapiro said he was only throwing out ideas.

The idea never went further, he said, and the prosecution was never involved. (LAT, AP)



The cell at the Men's Central Jail in Los Angeles where O. J. Simpson spent 474 days until his release on Tuesday.

Simpson Trial Shakes Legal System

By Stephen Labaton
New York Times Service

WASHINGTON — The O. J. Simpson trial is prompting a host of changes both in particular cases and in the nation's legal system, from the early maneuvering in the Oklahoma City bombing trial to the tougher laws on domestic violence that are being adopted.

Defense lawyers are bracing for a backlash from judges and legislatures seeking to make it easier to get convictions. Lawyers and judges foresee new restrictions on cameras in courtrooms, fewer requests to sequester juries and changes in the way juries are selected.

Police departments are reviewing their procedures for handling evidence, particularly blood and fiber, at crime scenes. Judges say they are taking the Simpson case's glacial

pace as a textbook case of how not to conduct a trial. And prosecutors and defense lawyers alike are reconsidering basic precepts of trial tactics, including the supposed invincibility of DNA evidence.

Some of the changes were under way even before the verdict was announced Tuesday. The case had motivated Congress and some state legislatures to approve tougher new laws on domestic violence, and, in many jurisdictions, the number of women reporting that they have been battered by their husbands or boyfriends has more than doubled.

Prodiced by the California state legislature, the state's Supreme Court adopted an ethics rule, which went into effect Sunday, to curtail sharply what lawyers can say to reporters outside the courtroom. Other states are expected to follow. And, mindful of the Simpson case, both prosecutors and defense lawyers in an increasing number of cases have asked judges not to sequester juries to avoid souring them.

But legal experts say far more lies ahead, as the case inspires a rethinking of many rules and legal strategies while it reshapes the expectations of judges, lawyers, jurors and defendants about how the criminal justice system should work.

Defense lawyers in particular are fearful of public pressure for change in the aftermath of Mr. Simpson's exoneration by the jurors in Los Angeles.

"There will be hell to pay for this verdict for several years," said Roy Black, the Florida lawyer who successfully defended William K. Smith against a rape charge four years ago.

Just as an insanity verdict in the John W. Hinckley Jr. case, involving the attempted assassination of President Ronald

Reagan, prompted many states to toughen their insanity laws, Mr. Black said, so will the Simpson case motivate legislatures and courts to make it harder for defense lawyers to prevail.

The public's perception will be that if you have enough money and celebrity-hood and high-priced lawyers, then you can beat the rap," Mr. Black said. "This is going to prompt all kinds of tinkering to give more power to prosecutors.

Judges, lawyers, prosecutors, law professors and legislators interviewed this week said that the other consequences of the Simpson case were most likely to include these measures:

• At least for the short term, prosecutors fear that more defendants will go to trial rather than accepting a plea agreement, which could further clog the judicial system.

• Lawyers may lose some ability to shape the composition of juries. There will be new scrutiny of lawyers' ability to remove prospective jurors with unrestricted peremptory challenges.

• Some prosecutors say they will now think twice about using a witness if they believe the witness harbors racial animosities. And defense lawyers are expected to emulate the Simpson defense strategy of challenging law enforcement authorities by accusing the police of improper behavior and conveying to jurors their right to use their verdict to send a broad message to the community.

• Law enforcement authorities say that police departments nationwide will begin to review the manner in which they collect evidence, like blood and fibers, at crime scenes.

The case is already being used as the basis for several state initiatives aimed at changing the criminal justice system.

"There will be hell to pay for this verdict for several years," said Roy Black, the Florida lawyer who successfully defended William K. Smith against a rape charge four years ago.

Just as an insanity verdict in the John W. Hinckley Jr. case, involving the attempted assassination of President Ronald

Reagan, prompted many states to toughen their insanity laws, Mr. Black said, so will the Simpson case motivate legislatures and courts to make it harder for defense lawyers to prevail.

The public's perception will be that if you have enough money and celebrity-hood and high-priced lawyers, then you can beat the rap," Mr. Black said. "This is going to prompt all kinds of tinkering to give more power to prosecutors.

Judges, lawyers, prosecutors, law professors and legislators interviewed this week said that the other consequences of the Simpson case were most likely to include these measures:

• At least for the short term, prosecutors fear that more defendants will go to trial rather than accepting a plea agreement, which could further clog the judicial system.

• Lawyers may lose some ability to shape the composition of juries. There will be new scrutiny of lawyers' ability to remove prospective jurors with unrestricted peremptory challenges.

• Some prosecutors say they will now think twice about using a witness if they believe the witness harbors racial animosities. And defense lawyers are expected to emulate the Simpson defense strategy of challenging law enforcement authorities by accusing the police of improper behavior and conveying to jurors their right to use their verdict to send a broad message to the community.

• Law enforcement authorities say that police departments nationwide will begin to review the manner in which they collect evidence, like blood and fibers, at crime scenes.

The case is already being used as the basis for several state initiatives aimed at changing the criminal justice system.

Concorde Exhaust Is Analyzed

The Associated Press

WASHINGTON — The exhaust of a Concorde aircraft flying at twice the speed of sound dumps tons of sulphur particles into the atmosphere, according to initial tests.

J. C. Wilson of the University of Denver said the finding might force engineers to change the design of engines and to revise the fuels that may be used in a proposed fleet of supersonic aircraft being considered by both industry and NASA. A report on the study was published Friday in the journal *Science*.

The Concorde, built in the 1960s by the British and French, is the first and only supersonic airliner now in regular commercial service.

But U.S. and European aircraft builders are drawing up designs for supersonic airliners capable of flying at almost two and half times the speed of sound and carrying up to 300 passengers. An early study shows that there could be fleet of 500 such aircraft in operation by the year 2015.

Mr. Wilson said a study of the Concorde exhaust was undertaken to measure and identify the chemicals that are dumped into the stratosphere by a supersonic jet engine on a plane flying above 50,000 feet (15,000 meters).

The researcher said that the nitrogen oxide reactions measured were about what were expected, but that the presence of sulphur particles "came as a surprise."

Sulphur contained in the jet fuel exhaust condenses into particles within minutes, he said. The particles could cause a chemical reaction that might enhance erosion of the ozone layer, he added.

AMERICAN TOPICS

Indigent Defendants Get No 'Dream Team'

The legal help available to indigents charged with murder is a far cry from the "dream team" that helped O. J. Simpson, who did not face the death penalty, win acquittal, says Richard Dieter of the Death Penalty Information Center, a private citizens' group.

"Too many states encourage this malpractice by offering totally inadequate pay and resources for death penalty defense," Mr. Dieter's report concludes.

Most court-appointed lawyers, though underpaid and often inexperienced in death-penalty cases, are conscientious. But Mr. Dieter's report focused on some of the worst:

• Larry Heath's lawyer failed to appear when his case

was argued before the Alabama Supreme Court. Mr. Heath was executed in 1992.

• Calvin Burdine, now on death row in Texas, was represented by a lawyer who, according to an affidavit submitted by the jury foreman, repeatedly fell asleep in court.

• Jesus Romero's lawyer presented a 26-word argument to the jury at the trial's sentencing phase.

"You are an extremely intelligent jury," the lawyer said. "You've got that man's life in your hands. You can take it or not. That's all I have to say." The jury voted death, and Mr. Romero was executed in 1992.

About People

Colin L. Powell wields a speedy pen. At two Denver bookstores, the retired general signed a copy of "My American Journey" every six seconds. "I've never seen anyone sign books like he does," said a Random House publicist, Ivan Held. General Powell signed at least 2,100 copies

of his best-selling autobiography at the Tattered Cover bookstore and at least 600 at The Hue-Man Experience.

Tattered Cover said its previous record was set in 1992 by General Norman Schwarzkopf, who signed 1,375 copies of his book.

Ann Richards, the former Democratic governor of Texas, says she always found plenty of reasons to drink. "I drank to celebrate," she said in a speech at Southern Methodist University in Dallas. "I drank when it had been a bad day. I drank if I had a temporary, painful experience. I drank if I wanted to have a good time. I drank if I wanted to relax. I drank if I needed to stay up to party. I drank if I needed to get ready to party.

There was always a very good reason to drink — you get the idea. And I always had some body to drink with me." Mrs. Richards said she has been sober for 15 years but still struggles with her addiction and attends Alcoholics Anonymous meetings.

International Herald Tribune

ITC

INTERNATIONAL TELEPHONE COMPANY WORLDWIDE CALL BACK SYSTEM SAVE UP TO 80%

Distributors Needed Worldwide For Call Back International, Domestic & Cellular

International Telephone Company
290 Pratt Street, Meriden, CT 06450-2118
1800-638-5558 ext. 91 / 203-238-9794 Fax: 203-929-4906

"Limited Countries Available"

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:00 a.m. Kids Welcome De Ceuvelstraat 3, S. Amsterdam Info: 02940-15315 or 020-341389.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical), 4, bd de Pibrac, Colomiers. Sunday service 8:30 a.m. Tel: 05-623-1818.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican/Episcopal), 11 rue de la Rotta. Sunday Eucharist 11 a.m. Weekdays as on notice board.

VENICE: St. Hugh's, ave de la Résidence. Sunday Eucharist 11 a.m. Contact Father Ken Lutz 93 07 19 03.

FRANKFURT

INTERNATIONAL COMMUNITY CHURCH (Anglican), Sundays 5:00 p.m., Sun. 11 a.m. at St. Peter's Church (near Dom), Alsfeldstr. 10, 6000 Frankfurt. Tel: 06172-45197.

GERMANY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

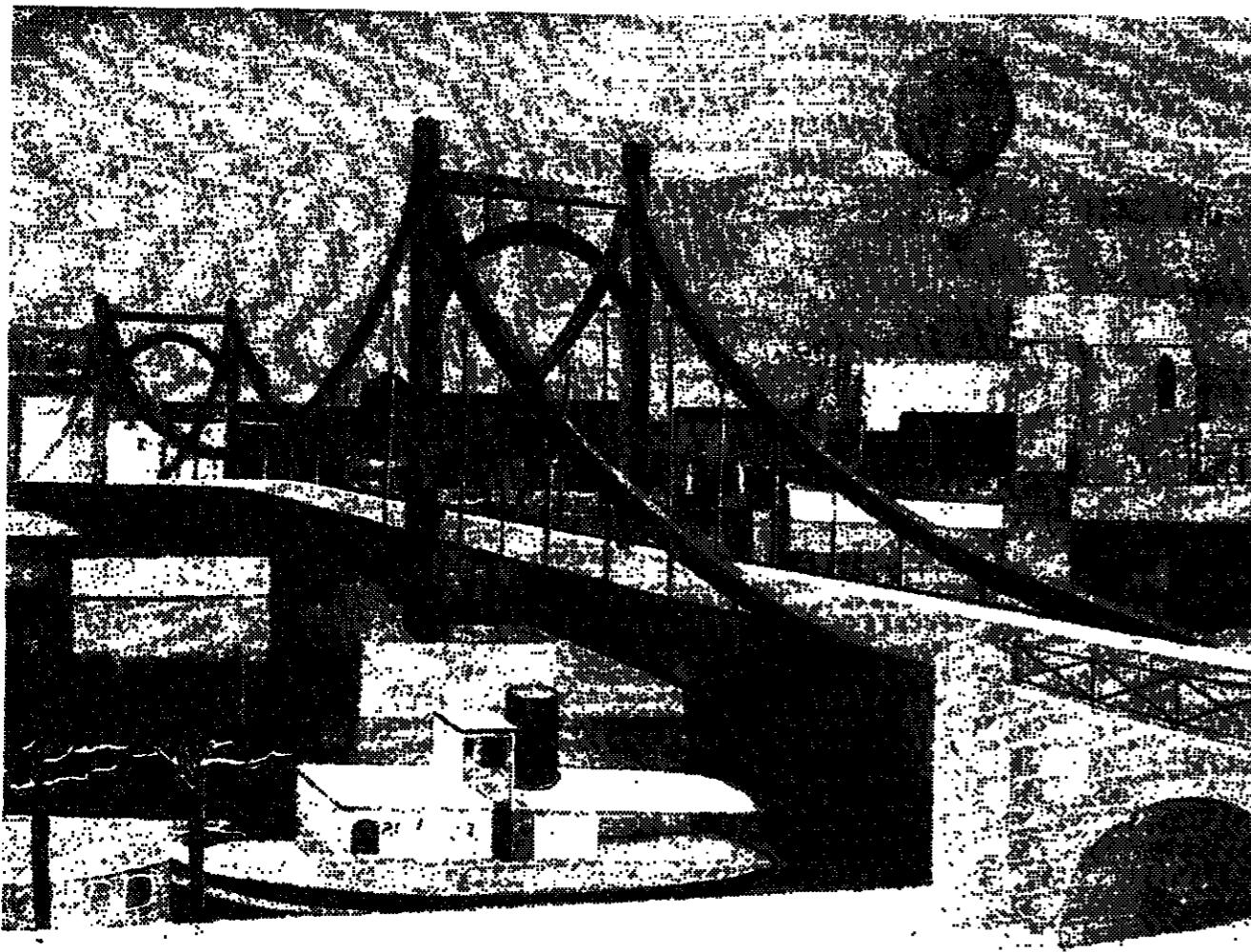
INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ITALY

INTERNATIONAL CHURCH OF THE HOLY TRINITY, 30, Rue de l'Amour, 6000 Lille. Sunday 10:30 a.m. Tel: 03-20-52-00-00.

ART

The Rhine as Myth and Menace: Views From 130 Artists



Carl Barth's "Rheinbrücke" ("Bridge Over the Rhine"), painted in 1932 and shown in the Bonn exhibition.

By David Galloway

BONN — The Rheinisches Landesmuseum is the first port of call for an exhibition appraising the Rhine as a cultural "stream" that has repeatedly offered inspiration for the art of this century. With 400 works by 130 international artists, "Der Rhein/Le Rhin/De Waal" sometimes threatens to overflow its own banks.

Yet curators from the three participating museums in Bonn, Nijmegen, the Netherlands, and Strasbourg have netted a representative catch of idioms and isms: from Impressionism to Concept Art, sculptures, photography, video and minimalist installations. In addition, souvenirs, model ships and travel posters testify to the popular attraction of Germany's longest river.

The current presentation updates a show entitled "The Magic of the Rhine in the 18th and 19th Centuries," which made its debut in Bonn three years ago. A small group of paintings from that survey is included here, lending historical dimension to 20th-century achievements. They are essential for an understanding of the traditions that are manipulated ironically by many modern artists. After all, when chemical pollutants mingle with this stream, they also swirl about the Lorelei and obscure the ring of the Nibelung.

Wagner receives a nod in Bonn through the voluptuous paintings of American artist Douglas James Johnson. And the composer's own mythic extravaganza can be seen as a kind of "watershed" between the Romanticism of the 19th century and the more modern realities of an embattled frontier or, too often, an open sewer. (Two decades ago, the oily surface of the Rhine literally burst into flames in the Düsseldorf harbor.)

A waterway developed by the Romans

and later studded with piratical customs barriers by feudal lords, the Rhine was often a military objective. The Versailles Treaty declared it an open, democratic stream, and still provides the basis for regulating its traffic.

But Margaret Bourke-White's riveting photographs of 1945, showing Rhine bridges twisted and curled, expose the irony of that dream.

Where the Rhine is concerned, dream and reality have often been askew. More than any other single event, it was the publication of a diary recording Rhineland misadventures that started the vogue for "romantic" Rhine voyages in the early decades of the last century. The diary was kept by an English girl of 17 who ran away with her older, married lover in the summer of 1814. Mary Godwin was the daughter of the English novelist Mary Wollstonecraft, often called England's first feminist. The lover was the infant terrible of the English literary scene, Percy Bysshe Shelley.

Probably inspired by a visit to Frankenstein Castle, near Darmstadt.) Painters, meanwhile, led the vogue by producing studies of picturesque ruins looming above the water and silhouetted against storm-tossed skies. The Rhine had ceased to be a mere river and become a myth.

Parallels between the mighty Mississippi and the Rhine often occurred to Max Ernst, who grew up near Cologne and lived in American exile from 1939 to 1945.

The cross-cultural reflections make his among the most provocative of the works shown in Bonn. In too many other cases,

the simple fact that the river can be viewed in a landscape (or appears in the title of an abstract work) seemed to justify its inclusion. And the understandable urge to give the three participating countries equal billing resulted in the selection of a number of French and Dutch artists who conspicuously fail to measure up to the standards set by Ernst, August Macke, George Grosz, Joseph Beuys or Klaus Rinke.

At its best, "Der Rhein/Le Rhin/De

Waal" is basically a German show. Perhaps its strongest entry is a pair of lead-bound drawing books by Anselm Kiefer, which might have been piffed from Wotan's own library at Valhalla. And there is a mesmerizing video sculpture by the Italian Fabrizio Plessi, specially created for this exhibit, that electronically revives the fascination the river once exercised on poets and travelers.

"Der Rhein/Le Rhin/De Waal" is at the Rheinisches Landesmuseum until Oct. 29; at the Museum Commanderie in Nijmegen from Nov. 11 through Jan. 28; and at Strasbourg's Musée d'Art Moderne from the end of February until the end of April.

David Galloway is an art critic and freelance curator based in Wuppertal, Germany.

Met Looks at What Makes a Rembrandt — and What Makes a Fake

By William Grimes
New York Times Service

NEW YORK — There is a paradox at the heart of all love affairs between the public and the greatest artists. The more elusive and mysterious the artist — the more unknowable — the faster the public pulse races.

No artist was ever more of an enigma than Rembrandt, the greatest painter of Holland's 17th-century golden age. No artist in modern times has been more beloved. And no artist has been more of a problem, in large part because documentary evidence about his life and his career is scarce.

What works attributed to Rembrandt did he actually create? What were his working methods and how was his studio organized? Which aspects of Rembrandt's sensibility and style belong to him alone, and which were the common property of 17th-century Amsterdam?

For decades, scholars have been debating these questions passionately, as if the struggle were for the artist's very soul.

The Metropolitan Museum of Art has taken the unusual step of devoting an entire exhibition not to Rembrandt the genius but to Rembrandt the problem. The show, "Rembrandt/Not Rembrandt," which opens to the public on Tuesday, presents more than 100 paintings, prints and drawings to demonstrate the difficulties in sorting out real Rembrandts from the work of pupils, followers, admirers and, in some cases, forgers.

This is one of the rare scholarly enterprises that has actually caught the public's imagination in recent years, as one Rembrandt after another has been struck from the list of paintings long assumed to be by the master's hand, like "The Man With the Golden Helmet," a superstar at the Staatliche Museum in Berlin that was demoted in 1985.

The Met is in an ideal position to throw a spotlight on the drama of connoisseurship, the art history term for the activity of identifying the author of a painting, largely through close visual analysis.

The exhibition will include all 42 paintings in the museum's collection that are by Rembrandt or were once thought to be so — museum officials believe that about 18 are the genuine article — as well as 30 drawings, 32 prints and several paintings by artists influenced by Rembrandt.

There is disagreement within and without the museum about certain paintings, notably between the two curators of the exhibition, Hubert von Sonnenburg, the head of the paintings conservation department, and Walter Liedtke, the museum's curator of Dutch and Flemish paintings.

Again, the museum has taken an unusual step of letting the two men argue their views before the public.

"Rather than try to homogenize these sometimes discordant voices, we let each write his own catalogue, so that their individual voices can be heard," said Philippe de Montebello, the director of the Met.

The problems started early. While still a young painter, in the 1630s, Rembrandt

took Amsterdam by storm, becoming the most sought-after portrait painter in the city, having already made a stir with his dramatic early paintings of biblical scenes. From the outset, Rembrandt attracted students, admirers and imitators.

Students may or may not have worked on some of the teacher's paintings. He may or may not have altered theirs.

Historians know of a hundred students and dozens of followers who made copies of Rembrandt paintings. Admirers absorbed his influence and turned out work in his manner, which, to make matters more confusing, changed from decade to decade.

Later hands forged Rembrandt's signature on existing paintings or produced outright fakes.

THE same qualities that make Rembrandt a towering artist also make him a tough nut for connoisseurs. He constantly experimented with new techniques. His manner evolved from the highly finished, tightly rendered portraits of the 1630s to the dramatic, loosely painted masterworks of the 1650s and 1660s. Rather than specializing in a single genre, he painted individual portraits, self-portraits, group portraits, landscapes, history paintings, scenes from the Bible and allegories.

The documentation surrounding Rembrandt is maddeningly scarce. He left behind only seven letters. Only about 30 of his paintings are referred to in inventories, wills or letters. The workings of his studio remain largely a matter of conjecture.

The attribution problems multiplied drastically after the Romantics recast Rembrandt in their own image as a solitary, outcast genius — not just a painter but the painter. For a time, every painting not nailed down was labeled a Rembrandt, apparently on the theory that if several hundred Rembrandts were a good thing, a few hundred more would be even better.

By the turn of the century, experts assigned 377 paintings to Rembrandt. The number jumped to 538 in 1906, 606 in 1909 and 711 in 1921.

The rise of art history as a discipline and the practice of connoisseurship spelled the end of the Rembrandt boom market. More research inevitably meant fewer Rembrandts. On the plus side, gifted painters long relegated to a place in the great man's shadow began to move forward into at least a half-light. "It's important to state what a gifted teacher he was and what talented painters were around him," Liedtke said. "At least a dozen of them produced paintings, sometimes profound ones, that were considered Rembrandts for 200 years."

Perhaps most startling, paintings long assumed to be mature Rembrandts turned out to be by young pupils or assistants.

The most important event in reassessing the artist came in 1969, with the creation of the Rembrandt Research Project, a team of scholars financed by the Dutch government. Its mission was to roam the world, look at every painting listed as a Rembrandt and, using the latest documentary evidence, technical analysis and connoisseurship, render a verdict. Since 1982, the project has published three volumes of findings in "Corpus of Rembrandt Paintings," covering the years up to 1642. That leaves another quarter century to go.

The seductive idea behind the Rembrandt Research Project was that it would somehow settle the questions of Rembrandt attribution. That has not happened.

In fact, "Rembrandt/Not Rembrandt" at the Met can be seen as an exercise in demystifying the authority of the Dutch group whose methods have come in for increasing criticism.

It is natural that museum officials regard the project with a cool eye. No one likes to have a Rembrandt taken away. But most institutions, faced with a mountain of supporting evidence and painstaking research, bow before the judgments of the project.

The Met, which over the years has demoted 21 of its own Rembrandts, has adopted a tough line. It has not, for example, changed the labels on two paintings from the 1630s, known as the Van Beresteyn portraits, which the Rembrandt Research project has attributed to Rembrandt's workshop.

Despite the appearance of turmoil, Rembrandt scholars agree more than they disagree.

The pruning away, or "purification," of Rembrandt looks as if it will leave behind a corpus of about 300 paintings, with perhaps 50 in dispute and many more recognized as non-Rembrandts but still without an author.

ART EXHIBITIONS

U.S.A.

THE SAN FRANCISCO FALL ANTIQUES SHOW

Benefiting Enterprise for High School Students
October 26 - October 29
Fort Mason Center, Festival Pavilion
Admission \$15, includes catalog
For information
The San Francisco Fall Antiques Show
3275 Sacramento St., San Francisco, CA 94115 415-921-1411

GERMANY

DR. JÜRGEN FISCHER KUNST-UND AUCTIONSHAUS

Continental Glass
21. October 1995

Preview: 15th - 20th October 1995
Illustrated catalogue available on request

THE ARTS OF
18TH CENTURY
FRANCE

PIECE UNIQUE
FIAC 95
STAND D 40
DOMENICO BIANCHI
October 2-3
ENZO CUCCHI
October 4-5
MERLINO
October 6-7
ERNESTO TATAFIORE
October 8-9
4, rue Jacques Callot
75006 Paris
Tel: (33-1) 43 26 54 58
Fax: (33-1) 16 34 05 98

COLLECTORS

Spink
deal in
English Paintings and Watercolours
Oriental, Asian and Islamic Art
Textiles • Metals and Milaria
Coins • Bullion • Banknotes

SPINK
SPINK & SON LTD. 5 & 7 KING ST.
ST. JAMES'S, LONDON,
ENGLAND SW1Y 6QS TEL: 0171-437 7888
FAX: 0171-639 4951 TELEX: 916711

ANTIQUES
We buy and sell Japanese Antiques of
Fine Satsuma, Imari, Japanese ceramics,
bronzes, Samurai swords, Rings and armor.
(14th century through 19th century)
FLYING CHAMPS ANTIQUES, LTD.
1050 Second Avenue, Gallery 555
New York, N.Y. 10022
Tel (212) 223-4000 • Fax (212) 223-4601

**International Herald Tribune
ads work**

ARMAN

BONNARD

BRAUNER

BUFFET

BUGATTI

CESAR

COROT

DALI

VAN DONGEN

DUFY

KHnopff

KISLING

LAPICQUE

LEGER

MANGUIN

MATISSE

PASCIN

PICASSO

REDON

RODIN

UTRILLO

VLAMINCK

VIUILLARD

PIERRE BONNARD

1867-1947

Nu dans un intérieur, 1908

Oil on canvas

Signed lower right

75 x 63 cm (29 1/4 x 24 3/4 in)

Provenance: Acquired from
Gaston Long by Bernheim-Jeune in 1930.
Private Collection, France.
Editorial:
New York, Wildenstein, 1924, no. 4 (illustrated).
Paris, Bernheim-Jeune, 1930, no. 11
(illustrated).

MUSEUMS

CLAUDE MONET MUSEUM IN GIVERNY
THE HOUSE - CLAUDE MONET'S GARDENS
THE WATER-LILY POOL
Open everyday except Monday, from 1st April to 31 October
10 a.m. - 6 p.m. without interruption.
West highway, dir. Rouen, exit Bonnieres near Vernon (Eure).
Tel (France): (33) 32 51 28 21

FRANCE

MAITRE MARC-ARTHUR KOHN
AUCTIONEER16, RUE DROUOT - 75009 PARIS
TEL: 33 (1) 42 46 46 08 - FAX: 33 (1) 42 46 46 15
CATALOGUE ON REQUESTIMPORTANT
AUCTIONModern, contemporary
paintings and sculpturesDROUOT
MONTAIGNE15, avenue Montaigne 75008 PARIS
Telephone during the exhibition
and the sale: 33 (1) 48 00 20 80

**THURSDAY
19 OCTOBER 1995
at 8.30 p.m.**

Exhibition:
*At the practice
Thursday 12, Friday 13 and Saturday
14 October, 11 a.m. to 6 p.m.
Sunday 15 October, 10 a.m. to 12 a.m.
and 3 p.m. to 7 p.m.
*At Drouot Montaigne
Tuesday 17 October, 11 a.m. to 9 p.m.
Wednesday 18 October, 11 a.m. to 9 p.m.
Thursday 19 October, 9 a.m. to 6 p.m.

Read the
ARTS
SECTION
Every Saturday
in the Trib.

STILL THINKING ABOUT ART?

Oldenburg's Large Space

By Roberta Smith
New York Times Service

NEW YORK — It is hard to reconstruct the position that the Pop artist Claes Oldenburg occupied in the fast-changing New York art scene of the late 1950s and early 1960s, when Abstract Expressionism was on the wane and everything was up for grabs.

But judging from the thick catalogue that accompanies the impressive if not totally satisfying overview of his career at the Guggenheim Museum (through Jan. 14), Oldenburg's polymorphous talent took up a breathtaking amount of space.

The catalogue illustrates the famous object-filled environments, like "The Street" and "The Store," that Oldenburg erected in such downtown storefront galleries and performance spaces as the Judson Church on Washington Square.

It quotes at length from diaries and notebooks in which, writing in an often brilliant free-flowing vernacular, he enumerated his fascination with an art that rose directly from the sweaty, serious energy of the city's streets, an art at once popular, populist and widely accessible.

"I am for an artist who vanishes, turning up in a white cap painting signs or halways," Oldenburg once wrote. "I am for an art that grows up not knowing it is art at all," he said, an art "that you can pick your nose with or stub your toes on."

Especially striking are the catalogue's abundant photographs, often in color, of the Happenings that Oldenburg orchestrated during these years. Rife with strange costumes, movable sets, piles of inchoate stuff and people standing on ladders or rolling around on the floor, the images exude an anarchic energy.

They offer a vivid glimpse of an artist seemingly in love with the absurd, the excessive, the Rabelaisian; whose instinctive inventiveness with materials meshed with a penchant for the theatrical and a conviction that distinctions between media are

"a civilized disease." Some of Oldenburg's earliest objects, like the stuffed canvas skyscrapers of "Upside-Down City" at the Guggenheim, were made for these performances; others came out of them: in the catalogue the artist writes about carefully picking through the rubble after these events, looking for new ideas among the surviving fragments and materials.

The Happenings photographs also evoke a heady time in American art, when the confidence engendered by Abstract Expressionism was leaking into new areas and the question "What's next?" seemed to have a hundred answers, many of which pointed to American popular culture.

Present in these images as both performers and onlookers are members of the growing 1960s avant-garde: Lucas Samaras, Andy Warhol, Marisol, Les Levine, Bill Kluger, Henry Geldzahler, Pat Muschinski. Oldenburg's first wife, who sewed many of his famous soft sculptures, and the art dealer Richard Bellamy, who in 1962 gave Oldenburg his first uptown exhibition, at the Green Gallery.

JUST as relevantly, these images inform the present: they establish Oldenburg as a precursor of several of the most visible obsessions in current art performance, the body, the infantile, the grotesque and popular culture, not to mention scatter art and grunge art.

These concerns are variously reflected in the work of such artists as Mike Kelley, Paul McCarthy, Karen Kilimnik, Sue Williams, Daniel Oates and many others.

At the Guggenheim, Oldenburg's talent also takes up a lot of space, but the accounting of it is tamer and far better behaved than in the catalogue.

Despite an abundance of fine work from the early 1960s, this exhibition traces an increasingly sanitized trajectory from the street to the well-manicured public plaza. It reveals an artist for whom bigger was not necessarily better.

Organized in concert with the National Gallery of Art, the show is being billed as an anthology rather than a retrospective. But it is the largest Oldenburg show ever held. It has been selected and beautifully installed by Germano Celant, curator of contemporary art at the Guggenheim, and it fills the museum's entire spiral and two large tower galleries.

The show is a hulky-burly of sculpture, reliefs, drawings and collages, and even includes rare films of Happenings. One of its best moments is the sleek 1966 environment called "Bedroom Ensemble," an ode to the '50s whose sharp angles, distorted perspectives, faux animal skins and vinyl sheets are all icy sex and overheated style.

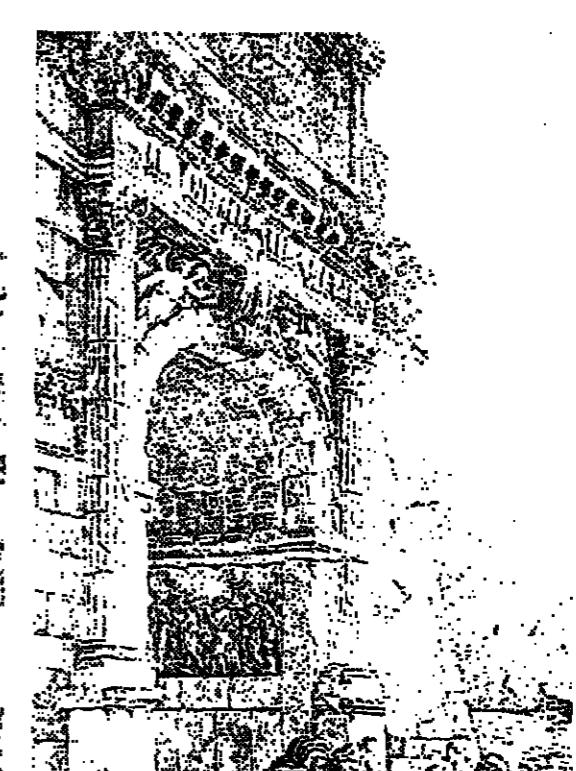
The show's final gallery is devoted to models and slides of the large outdoor sculptures and architectural projects based on colossally enlarged everyday objects. Oldenburg has imagined these virtually since the beginning of his career, and has executed more than two dozen of them since the mid-1970s, usually in collaboration with his second wife, Coosje van Bruggen. These projects sometimes cast Oldenburg in a nearly architectural role, as with the giant pair of binoculars he designed as the portico of Frank Gehry's Chiat/Day building in Venice, California.

The final gallery suggests the rather depressing idea that Oldenburg has both fulfilled and betrayed his original dreams: making a public, populist art, but one that has lost the sense of touch and visceral, body-oriented immediacy that animates his greatest work. It further suggests that Oldenburg's best public sculptures may be the unfeasible ones that never get off the drawing board, like the colossal Good Humor bar with which, in a beautiful 1967 drawing, he fantasized turning Park Avenue into a dead-end canyon.

The exhibition travels to the Art and Exhibition Hall in Bonn (Feb. 12 through May 12, 1996) and the Hayward Gallery in London (June 6 through Aug. 19, 1996).



Charles-Louis Clérisseau's drawings representing the interior of Vesuvius and the Arch of Titus are on view at the Louvre.



A French Architect's Implausible Story

International Herald Tribune

PARIS — Few stories are quite as strange as that of Charles-Louis Clérisseau, whose drawings of ancient Roman monuments and projects for neo-classical buildings bought by Catherine the Great of Russia are on view in the Louvre, on loan from the Hermitage, until Dec. 18.

With its mix of passion and cynicism spiced with shady art deals, churchmen on the take and nonchalant British spies basking in the luxury of Tuscany and Rome, it is almost too much to be plausible. And yet, it is true.

Very little is known of the early years of the 24-year old Parisian who reg

SOUREN MELIKIAN

istered in 1745 to study at the Académie d'Architecture under Germain Boffrand. He appears to have been deemed brilliant. Clérisseau was finishing his second year when he was awarded the immensely coveted Grand Prix for the project of a townhouse, so far untraced.

As he left in June 1749 for the Palazzo Mancini in Rome where laureates could spend two to three years on a scholarship, fortune seemed to beckon to him. But it did not. Relations between young Clérisseau and his superiors turned sour. He chafed under the discipline imposed at the behest of Charles Natoire, the new director of the Académie who was appointed in 1752. Late in April 1754, the promising architect walked out of the Palazzo Mancini in a rage without notifying Natoire.

The reason for his anger is not known. It does not appear to have involved Clérisseau's art.

A hard worker who had imbued himself with the rules and ornamental repertoire of ancient Roman art, Clérisseau was greatly admired for his antiquarian connoisseurship and the way in which he applied to it the principles of a single focus perspective as taught at the

Académie de France by Giovanni Paolo Panini.

Natoire produced about that time a study, very closely related to Clérisseau's view of a crumbling rotunda, presumably using one of the young architect's drawings, several of which were widely circulated in Rome.

That kind of borrowing, which was common practice, was not considered plagiarizing. It cannot have triggered the row. Its origins must therefore be sought in Clérisseau's life and, more specifically, in the network of acquaintances that he began to build up while a student.

A letter dated Sept. 27, 1754, within months of his leaving the Académie, shows that the French architect was dealing in antiquities and operating as a middleman for Horace Mann, the British envoy at the court of Tuscany. The buying and selling as such would not have been perceived as wrong. It was part of the process of acquiring knowledge, and concerning that, no one would question Clérisseau's wholehearted search for it.

The problem was that Mann's interests did not stop at art.

His house in Florence, as described by Sabine Cotté in a brilliant essay, was a stopover for British aristocrats on the Grand Tour, a meeting ground for striking deals and an intelligence-gathering center — His Majesty's government was keen to find out what the Stuarts in exile in Rome since 1713 and the Jacobite party around them were up to. The French did not see such a place as friendly to France, nor was it — Britain, in league with Austria, was on a collision course with France.

But to Clérisseau, Mann was a godsend. As early as February 1755, the British diplomat gave the architect a glowing introduction to Cardinal Alessandro Albani, pointedly noting in his letter that Clérisseau was "separated" from the French. The cardinal was a useful man to know in a country where stringent laws regulated the ex-

port of antiquities. A nephew of Pope Clement XI and a cardinal since 1718, his wishes could not lightly be ignored by the superintendents of antiquities at the Vatican — whether the Abbot Rudolfo Venuti or the German art historian Johann Winckelmann, who succeeded Venuti in 1763.

In addition to informing Mann on Jacobite activities in Rome, the cardinal made sure that the Roman works of art admired by friends of his friend did not come to any grief on their way to Britain.

Albani was also friends with Baron Philip von Stosch. The baron, also a British agent, in turn was a friend of Winckelmann and an ace collector of Roman antiquities. Clérisseau and Winckelmann got on like fire. And so it was that Clérisseau became involved in the great Villa Albani project.

The cardinal, who had directed extensive digs on Roman sites, had sold his first "collection" to the king of Poland in 1728, and a second collection to Pope Clement XII in 1734. From about 1760, he built up a third collection — for himself. To have it installed in style, the cardinal commissioned the construction of the Villa Albani. It was Clérisseau who integrated the pieces into the architectural design, an idea that reverberated throughout Europe and left its mark on British country houses.

But Clérisseau's influence on Britain was more marked still through another channel. In September 1754, the Frenchman met Robert Adam in Florence, almost certainly through Mann. Seven months later, he signed a contract to direct Adam's team of artists and designers.

Adam and Clérisseau traveled together to Dalmatia where Clérisseau conscientiously sketched Diocletian's palace in Split. Several of his drawings were eventually engraved by Adam in "The Ruins of the Palace of Diocletian," printed in London in 1764, although Clérisseau's name does not appear.

Now, among the decorative patterns that Clérisseau devised on the basis of his sketches of classical architecture, were symmetrical scrolling designs. These almost certainly gave rise to the quintessential Adamesque scrollwork however lighter these may appear than the rigorously structured motifs of Clérisseau.

Clérisseau also influenced German neoclassicism, this time through one of his pupils, Friedrich Wilhelm von Erdmannsdorff, who studied under him in Rome from 1765 to 1767, eventually becoming one of the leading figures in the movement.

Clérisseau's reach went even further east. In 1778, Catherine the Great who had earlier commissioned plans for a palace which proved unusable because of their gigantic scale, approached Clérisseau through her Paris agent Friedrich Melchior von Grimm, offering to acquire his portfolios of drawings and projects for a vast amount. The sale went through.

Clérisseau sent additional unsolicited drawings including those of a huge "Museum" which are in the show. And he kept sending more.

Eventually he had to be firmly shaken off. Undaunted, he caused a public scandal in Paris at a reception given in honor of the "comte du Nord," the son of Catherine the Great. Clérisseau insisted on talking to the prince. "I have nothing to tell you," was the comte du Nord's icy and final reply to Clérisseau who stood in his way.

Clérisseau very nearly left a mark on America, too. In 1785, Thomas Jefferson, the U.S. envoy to France, consulted with the architect about a project for the Capitol in Richmond, Virginia. A modest, very modest artist as a draftsman, Clérisseau who loved Roman antiquities so passionately, exercised a surprising influence that is only now beginning to be fully assessed. It had a lot to do with his way of seeing things and very little with his talent as a creator.



Claes Oldenburg at the Guggenheim: An artist in love with the absurd, the excessive.

BOOKS

MRS. TED BLISS
By Stanley Elkin. 292 pages.
\$22.95. Hyperion.

Reviewed by Michiko Kakutani

MOST Bildungsromans are first novels, debut efforts that trace a youthful hero's journey toward independence and self-knowledge, while ratifying the author's own coming of age. "Mrs. Ted Bliss," the late Stanley Elkin's elegiac new novel, is something of an exception. Not only is it the author's 17th and final book, but it also features an elderly heroine who has only begun to come into her own in her 70s.

By turns hilarious and heart-breaking, "Mrs. Ted Bliss" stands as both Elkin's most affecting novel and as a wondrous capstone to a distinguished and eloquent career.

Elkin — who suffered from multiple sclerosis for many years and who died last June, shortly after completing this novel — tended, in the past, to focus on characters who were modern-day Jobs, characters whose very plights seemed to challenge their creator's antic wit and hyperkinetic prose: the sick, the lame, the dying, the unlucky and the doomed.

"The Magic Kingdom" (1985) told the story of a group of terminally ill children who are given an all-expenses-paid trip to Disney World. "George Mills" (1982) depicted a dying woman's efforts to go to Mexico for laetrile treatments. And "Her Sense of Timing" (1993) featured a hero who was confined to a wheelchair and deserted by his wife.

At first glance, Elkin's latest heroine, Mrs. Ted Bliss, shares none of these dire problems. At 70-something, she's still in remarkably good health. She lives in an immaculate condominium in Miami, where there are plenty of pleasant distractions: bingo games, buffet sup-

pers, card parties and theme nights. For that matter, Dorothy Bliss has spent the better part of her life enjoying "long-term pampering privileges" that lend "some spoiled, complacent and self-forgiving pinkish aura to her life and perceptions."

The death of her husband, however, has turned Dorothy Bliss's life upside down. She has suddenly become "a candidate for death by heartbreak."

At once, the small, daily chores Dorothy loved have become Herculean tasks.

She realizes she has lost her enthusiasm, lost her looks, even lost her hearing. Sometimes she cannot tell whether she has said something out loud to someone else, or simply thought the thought silently to herself.

Dorothy, Elkin writes, "had passed over into a new state of being, existed on a plane different from grief, out of reach of cumulative come's ministering comforts and platitudes." She "had lost not only husband and family and self and appetite" but "all urge and interest," as well.

Still, in the brave new world of Miami, nothing stays the same for long, and Dorothy Bliss soon finds the winds of change sweeping through her own quiet life. After a wealthy neighbor gives her \$5,000 for her late husband's Buick, she is suddenly plunged into a series of incongruous adventures: she begins psychotherapy sessions with a doctor who seems to have mysterious underworld connections; she receives some hot tips on the local jai alai games from an informant, and she remakes the acquaintance of her husband's former business partner, a shameless but exuberantly charming con man by the name of Junior Yellin. In Junior, Dorothy discovers the first real friend she has ever had.

Although some of Dorothy's adventures are decidedly unusual for a woman of her background, Elkin has grounded her

story in meticulously observed descriptions of Miami, and in wholly palpable descriptions of the daily rhythms at Dorothy's apartment complex. Even as Dorothy begins a vigorous new life in her 80s, she sees more and more of her friends succumb to infirmity and age. She must come to terms not only with her own life, but also with the inevitable losses that define the human condition.

As usual, Elkin's language — rich, musical and playful, like that of a Joyce who grew up

Michiko Kakutani is on the staff of The New York Times.

auction sales IN FRANCE

DROUOT RICHELIEU
9, Rue Drouot, 75009 Paris. Tel: (1) 48 00 20 20.

Tuesday, October 17, 1995

Room 5 at 2:30 p.m. ANTIQUE AND MODERN BOOKS. Expert: M. Pierre Meaudre assisted by Bernard Meaudre. On view at the expert: Librairie Lardanchet, 100, Fbg. Saint-Honoré, 75008 Paris. Tel: (1) 42 66 68 32 - Fax: (1) 49 24 07 87, till Tuesday, October 10 to Thursday, October 12, from 10 a.m. to noon and from 2 p.m. to 6 p.m. or by appointment. A Hôtel Drouot, Monday, October 16, from 11 a.m. to 6 p.m., Tuesday, October 17 from 11 a.m. to noon. Etude TAJAN, 37, rue des Mathurins, 75008 PARIS. Tel: (1) 53 30 30 30 - Fax: (1) 53 30 30 31.

Wednesday, October 18, 1995

Room 5 at 2 p.m. 1. Library of Mr. and Mrs. G. ROMANTIC ILLUSTRATIONS, paper borders and bindings. 2. Library Charles Filippi (2nd auction) 20th Century ORIGINAL EDITIONS. Expert: M. Pierre Meaudre assisted by Bernard Meaudre. On view at the expert: Librairie Lardanchet, 100, Fbg. Saint-Honoré, 75008 Paris. Tel: (1) 42 66 68 32 - Fax: (1) 49 24 07 87, till Tuesday, October 10 to Thursday, October 12, from 10 a.m. to noon and from 2 p.m. to 6 p.m. or by appointment. A Hôtel Drouot Monday, October 16, from 11 a.m. to 6 p.m., Tuesday, October 17 from 11 a.m. to noon. Etude TAJAN, 37, rue des Mathurins, 75008 PARIS. Tel: (1) 53 30 30 30 - Fax: (1) 53 30 30 31.

In NEW YORK please contact Kenny Makinson & Co. Inc. 16 East 65th Street, fifth floor, N.Y. 10021. Phone: (212) 737 35 97 / 737 38 13 - Fax: (212) 661 14 34.

INTERNATIONAL FINE ART & ANTIQUE DEALERS SHOW

NEW YORK CITY, OCTOBER 13-19, 1995

Piero Corsini Inc.
Old Master Paintings

SEVENTH REGIMENT ARMY, NEW YORK, Booth E7

RICHARD GREEN



Seventeenth Century Anonymous Dutch Painter
Portrait of a young man

Inscribed and dated 1663. Panel: 42 1/2 x 28 in / 108 x 72 cm

International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Next Steps in Balkans

In the most significant step yet toward ending the 42-month-old Bosnian war, the two sides have agreed to a cease-fire beginning next Tuesday. That is to be followed two weeks later by the start of intensive negotiations in the United States, conducted through American intermediaries. These negotiations are meant to prepare the way for face-to-face bargaining at a peace conference in Paris, and the completion of a formal peace treaty.

There have been cease-fires in Bosnia before, all quickly broken, and this one could also prove ephemeral. But this is the first time the parties have agreed to break off the fighting in the context of a mutually accepted framework for final peace.

Having come this far in brokering a Balkan peace, the United States is obliged to take on a significant share of the peacekeeping operation that would follow a successful Paris conference.

The Clinton administration, which has long endorsed the use of American ground troops for this purpose, has been quietly developing plans for doing so. It needs to bring Congress and the public into these discussions without further delay.

The Senate majority leader, Bob Dole, long an advocate of more aggressive U.S. military support for the Bosnians, now seems inclined to oppose an American role in peacekeeping, even though the Bosnians fear making peace without Americans there to uphold it. Washington cannot credibly exert the kind of international leadership Senator Dole demands if it walks away from monitoring a Bosnian peace agreement.

That said, it is also necessary for the administration and Congress to make sure that the limited mission of supervising a peace agreement does not become something more, like refighting the Bosnian war.

The way to do that is to define the military mission precisely at the outset.

—THE NEW YORK TIMES

U.S. Must Pay Up

At the United Nations, the argument the United States is having with itself over its international role has passed beyond the point where others wait patiently for Americans to make up their mind. Delay in paying its bills is prompting visible irritation among the country's oldest allies. Washington's \$1.4 billion debt and the cover it provides for other deadbeats are having a terrible effect on the world body.

Worse, this performance undercuts the American capacity to bring about the very reforms the public regards as a necessary (but not sufficient) condition of paying up. The allies' and others' mood was not improved when, breaking the rules, the United States unilaterally legislated itself a lower budget share, from 31 to 25 percent; it took effect just this past week.

The United States has a long record of taking out its foreign policy frustration by slow paying at the United Nations. Two special factors aggravate things now. There is a terrific budget squeeze in Washington. And the Republican Congress is ardently attacking what it sees, and exaggerates, as the Clinton administration's wrongheaded fascination with "multilateralism."

Last year, a Democratic Congress grumbled but financed American UN

—THE WASHINGTON POST

A Willful Waffler

Democracy-starved Nigerians have just received word from their latest military ruler, General Sani Abacha, that he can't bring himself to give up power anytime soon. Oh, he's going, he said. But only after his newly designed transition program gets the country ready for full democracy. Nigerians have been hearing such promises for most of the 35 years since independence, so they shouldn't hold their breath for Election Day. According to General Abacha's timetable — which he unveiled this past week with a presumably straight face — the military regime has been awarded another three-year run in office until Oct. 1, 1998, when an elected president will be allowed to take over. It can't be said the general doesn't have a sense of humor.

With nearly two years under his belt as Nigeria's strongman, General Abacha has evidently grown comfortable with the perquisites of office. Since the annullment of the 1993 presidential election, he has talked up a storm about the restoration of democratic rule, all the while presiding over affairs of state with an iron fist. Political opponents have had a way of becoming political detainees. Newspapers have lost their voices. State legislatures have been put out of business and political activity has been banned — all after he seized power. The general's

—THE WASHINGTON POST

International Herald Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, Publisher & Chief Executive
ARTHUR OCHS SULZBERGER, Co-Chairman

RICHARD McCLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Editor & Vice President

WALTER WELLS, News Editor • PAUL HORVITZ, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors

ROBERT J. DONAHUE, Editor of the Editorial Page • JONATHAN GAGE, Business and Finance Editor

RENE BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director

JUANITA L CASPARI, International Development Director • DIDIER BRUN, Circulation Director

Directeur de la Publication: Richard D. Simmons
Directeur Adjoint de la Publication: Katherine P. Darow

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92221 Neuilly-sur-Seine, France.
Tel.: (1) 4143 9300. Fax: (1) 4143 9212. Internet: IHT@euroline.com
Editor: Michael Richardson, 5 Canterbury Rd, Singapore 0511. Tel: (65) 472-7768. Fax: (65) 374-2334
Mr. Asia: Rolf D. Kraemer, 30 Gloucester Rd, Hong Kong. Tel: 852-5222-1188. Fax: 852-5222-1190
Germany: Rolf T. Schuler, Friedrichstr. 13, 6027 Frankfurt. Tel: (069) 72 67 53. Fax: (069) 72 73 10
U.S.: Michael Cane, 150 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3890. Fax: (212) 755-8785
U.K. Advertising Office: 65 Long Acre, London WC2. Tel: (171) 838-4822. Fax: (171) 240-2224
S.A. an capital de 1.200.000 F. RCS Nanterre B 732021136. Commission Partaire No. 61337
© 1995 International Herald Tribune. All rights reserved. ISSN 0244-8022

If Politics Pushed Clinton to Act on Bosnia, So Be It

By Jim Hoagland

WASHINGTON — Few clichés are as dear to American politicians as the claim that politics stops at the water's edge. But good politics can be good foreign policy. Bill Clinton is proving that on Bosnia.

The president's muscular intervention to get a cease-fire in Bosnia after two years of dithering owes a lot to events on the ground. When Croatia's summer blitzkrieg shattered an overextended Bosnian Serbian army, Mr. Clinton saw his chance and took it.

But senior administration officials also point to an uncharacteristically forceful presidential directive to them to "bring clarity" to the Bosnian crisis before re-election campaigning engulfs Mr. Clinton early next year.

They admit this campaign-driven directive was a major factor in a new American activism on Bosnia that has not yet run its course.

If this activism is both sustained and productive — an enormous "if," I admit — it will cast a new light on the water's edge adage and on this president, who

came to Washington tagged by the media, the public and himself as a policy wonk.

Wrong. Mr. Clinton is a politics wonk.

Politics — partisan and personal — energize, inspire and focus Bill Clinton in a way that the detached decision-making of foreign affairs (and many other things) does not. George Bush was in fact the ultimate policy wonk, disdaining and neglecting the political effect of his foreign policy successes and failures.

The shaping of foreign policy by domestic politics is a dangerous enterprise. It invites neglect and indecision once the votes are counted, as the Clinton administration's conduct since 1992 has shown. The national interest can be subordinated to the moods and needs of the day. Like most clichés, the water's edge image contains some truth.

But the political roots of Mr. Clinton's taking charge on Bosnia are not a cause for shame. Even we foreign policy purists have to admit that there are moments

when the imperative of political survival can power the national interest. Churchill's commentary portraying Mr. Clinton's Bosnian turnabout as one giant spin-control operation must the point.

The chance to hem in Senator Bob Dole

and other critics on Bosnia has at last given Mr. Clinton a passion and a drive on a foreign crisis that help stop the erosion of American leadership in global affairs

— at least temporarily. That is a salutary consequence.

Secretary of State Warren Christopher

is to testify on Capitol Hill four times this coming week as the administration unveils its ambitious campaign to build congressional and public support for a policy that includes a major American role in a peace implementation force in Bosnia and the economic reconstruction of the former Yugoslavia.

The administration will seek approval for 20,000-plus U.S. soldiers and \$250 million in reconstruction aid as part of its carrot and stick approach to getting and maintaining a cease-fire. The United States, joined by President Jacques Chirac

of France, is strongly warning Croatia, Bosnia and Serbia that they will get no aid and will be kept out of the European Union if they are responsible for sabotaging this cease-fire effort.

Senator Dole has led the campaign to lift the arms embargo on Bosnia. But he has said little as Defense Secretary William Perry has outlined the administration's plan to train the Bosnians and help them use the cease-fire to establish "equilibrium" on the battlefield.

Mr. Christopher will expand on Mr. Perry's comments, telling Congress that the Bosnians made clear to the U.S. special envoy, Richard Holbrooke, that they would not accept a cease-fire or go to a peace conference without the commitment from Washington to help level the battlefield.

Better were it done two years ago. Better were it done as part of a grand strategic design. But if it takes the pressure of politics to get Mr. Clinton to show this kind of leadership, let us be thankful for politics making it happen at all, and beyond the water's edge.

Washington Post Writers Group.

A Struggling UN Must Now Appreciate the Art of the Possible

By Gareth Evans

NEW YORK — There are many structural changes and personnel reforms that could and should be made within the United Nations system to improve its efficiency. But ultimately the quality of that system depends on what we are prepared to pay for it.

It is important to appreciate the size of the sums involved. The core functions of the United Nations — its headquarters in New York, offices in Geneva, Vienna and Nairobi, and the five regional commissions — cost just \$1.2 billion a year. In 1994, the annual budget of the New York Police Department exceeded that total by \$600 million.

The number of staff needed to run the UN's core functions is around 10,700. Australia's capital, Canberra, employs some 22,000 people on the public payroll.

The cost of the UN's peace operations last year — in Cyprus, the Western Sahara, the former Yugoslavia and 13 other locations — was \$3.2 billion, less than the amount it takes to run three New York City departments (police, fire and prisons).

Add to the UN's core functions all the related programs and organs and you have a total staff of around 33,000 with a budget (including both assessed and voluntary contributions by member

states) of \$6.3 billion a year. That sounds like a lot but it's not quite so much when you consider, for example, that the annual global turnover of just one international accounting firm, Price Waterhouse, is some \$4.5 billion.

Go further, and add to the core functions and related programs all the other specialized programs and agencies of the entire UN family — including the Food and Agriculture Organization, the World Health Organization, the World Bank and the International Monetary Fund — and you have a staff of 61,400 and an annual cost of \$18.2 billion.

That may sound like a lot of people, but it's not when you consider that more people than that — 65,000 — are employed by the three Disney theme parks in California, Florida and France. Three times as many people, 183,000, sell McDonald's hamburgers around the world as work for the UN system.

And \$18.2 billion might be a lot of money, but just one major multinational corporation, Dow Chemical, which happens also to have 61,000 employees worldwide, has an annual revenue of more than \$20 billion.

When the UN's financial prob-

lems are put into this kind of perspective, the solutions do not look quite so hard. Surely the 185 member states, with their combined annual defense expenditure alone of some \$767 billion, can find that kind of money. Of course, the issue of paying for the UN has become critical because of the unwillingness, or inability, of so many member states (including some of the largest) to pay their assessed contributions.

There is a short-term problem that can and should be solved within the UN by allowing the UN to borrow from the World Bank. Yet there is also a longer-term problem that does not look as though it will be solved, however much UN members continue to work at adjusting the assessment scales, exhorting laggards to pay up and reminding them of the consequences if they don't.

It is, therefore, time to look again very seriously at the options that exist for supplementing contributions from member states by external sources of finance. The practicality of collecting a levy on every one of the annual foreign exchange transactions, worth about \$300 trillion, remains to be fully assessed. If a rate for such a levy of just .001 percent were

more than 65 percent of the UN's regular budget should under no circumstances have greater authority over how it is spent than the overwhelming majority of members that each pay much smaller proportions of the total.

Surely, whatever the funding sources involved, the crucial question is how and by whom the money is spent. It is absolutely vital that there be appropriate control of funds by member states, with proper mechanisms for accountability. However, that does not mean that those member states should themselves have to provide all the funds in the first place.

The time is right for the secretary-general to convene a high-level advisory group with an explicit mandate to think through what has hitherto been somewhat unthinkable — how to fund the UN system in a way that reaches out beyond the resources that member states are prepared to directly put into it.

The parameters of the debate must change. But for that to happen, the UN needs an authoritative new statement of the art of the possible.

The writer is the foreign minister of Australia. He contributed this comment to the International Herald Tribune.

Memoirs Indicate the Voters Can Forget a Powell-Perot Party

By William Safire

WASHINGTON — If Bill Clinton ever gets the urge to let Jimmy Carter meddle in foreign affairs again, he should read this passage in "In Confidence," the just-published memoirs of the former Soviet Ambassador Anatoli Dobrynin:

"Jimmy Carter paid me an unexpected visit on January 30 [1984] to voice concern at the extent of Reagan's arms buildup." To undermine U.S. peace overtures, Mr. Carter sent a secret message to Moscow: "The former President was 'utterly convinced' that there would not be a single agreement on arms control, especially on nuclear arms, as long as Reagan remained in power."

Nice to know that our embit-

tered former president tried to get the Evil Empire to disbelieve his successor's demarche. But that's only one of the insights in this season's memoirs.

Bush Secretary of State James Baker writes: "In mid-October [1990], Colin Powell telephoned me and said, 'I'd like to have a little private chat with you...' Since Powell had asked that the meeting be private, I respected his wishes and dispensed with my usual custom of informing [Secretary of Defense] Dick Cheney of any such contacts."

According to Mr. Baker, the Chairman of the Joint Chiefs circumvented the Pentagon's civilian chief to "get a better sense"

of what Mr. Baker thought of putting military-diplomatic pressure on Saddam Hussein.

If true, this would portray General Powell on a devious end run, because, as Mr. Baker puts it, "he knew that I had a close personal relationship with the president."

Mr. Baker protests too much: "Some have suggested that Powell and I knew that we were both opposed to the use of force and that he was soliciting my help," which he denies.

Poor Secretary Baker, duped again into thinking he was someone's confidant. When I read this passage to two men who were assistant secretaries of defense at the time — Richard Perle and

Richard Armitage — both told me they believed that General Powell had fully informed Secretary Cheney of the "private" meeting with Mr. Baker.

Reached in Dallas, Mr. Cheney says he doubts that General Powell kept tabs with Mr. Baker from him.

Which brings us to "My American Journey," General Powell's memoir, in which the potential candidate for president refers to Mr. Armitage throughout as "my brother" and "bodyguard," "confidant," "ever-resourceful," "friend of the heart."

This personal warmth in the general's life story certifies Rich Armitage as General Powell's most intimate associate. They were comrades in Washington's bureaucratic wars; they consult today. If General Powell ever becomes president, you can expect the gruff, outspoken Mr. Armitage to be secretary of defense or White House chief of staff.

Memoirs demonstrate that General Powell and Mr. Armitage are best friends; I know that Mr. Armitage and Mr. Perle despise each other; and any political deal between General Powell and Mr. Perle would reflect disloyalty and dishonor on General Powell, a man who reveres loyalty and honor.

How profoundly human nature and indeed human relations affect the outcome of events," writes the Communist memoirist Dobrynin.

How true, Anatoli.

New York Times Service

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Chinese Revolt

PARIS — The Mohammedan revolt, which is attaining such serious dimensions in Kansu and adjoining provinces, writes a correspondent of the London Times, is the latest of a series of civil wars between rival religiousists. In its main features the present revolt recalls many of the incidents of the Mohammedan rising of 1862, which lasted for some 17 years, and at one time threatened to alienate permanently from the rule of the Chinese an enormous part of the western dominions.

Given our penchant for denial, we are likely to underestimate the gravity of these problems. A

society rent by the grotesque Brian Kaelin was able to move his dim-bulb persona and shabby relationship with the truth from the witness box to the national celebrity circuit. Mr. Kaelin, who has never heard of the truth and who believes all black people should be burned, opened the door to a thorough airing of the word "nigger." Mr. Cochran gave us kindergarten poetry: "If it doesn't fit, you must acquit."

Justice? You must be mad. In the end, the jury consisted of the last warm bodies. Justice could keep his hands on. They would have denied Bill Clinton was president if that would have gotten them out of the hotel.

SPONSORED SECTION

SPONSORED SECTION

TRACKING TELECOMS

THE BEAUTY AND BEAST OF COMMUNICATIONS

Broadband will be the backbone of the information superhighway.

Broadband is the beauty and the beast of global telecommunications in the 21st century. On one hand, everyone agrees broadband will open up seemingly endless new possibilities for telecommunications products and services. On the other hand, no one seems quite sure how to tame it.

Broadband - the catch-all term that refers to the cable, wire or wireless transmission of multiple frequencies of more than 1 million bits per second - is widely viewed as the cement that will bind the convergence of communications and computing.

Broadband will be the backbone of the global information superhighway, the "fast lane" that will be capable of carrying the higher capacities needed for multimedia to move from network to network around the world.

After all, a few spoken sentences, a couple of bits of a pop song or a mere three seconds of video require the same amount of bits for transmission as a fat nov.

A global superhighway

It seems had to believe that the National Information Infrastructure, U.S. Vice President Al Gore's initiative for an "information superhighway" for the United States, was launched a mere two years ago. As an outgrowth of the NII, the Group of Seven has begun working toward a Global Information Infrastructure. The GII, in theory, will promote the democratic, free-market movement of information throughout the world, with protections for free speech, privacy and intellectual property.

The leading industrialized countries are in general agreement that they

should have broadband networks, that those networks should be built and maintained by private interests and that those networks should be able to "talk" to each other - which is why the development of technical standards is so important.

"Achieving the full benefits of broadband technology will require fundamental re-engineering of many commercial information-handling processes," says Neal Seitz, the deputy director for systems and networks at the U.S. Department of Commerce Institute for Telecommunications Sciences.

Implementing these fundamental changes will be a major challenge for planners and workers in information-intensive industries. Telecommunications service providers will need to do much better job understanding user application needs to make this re-engineering process effective.

Billions at stake

The billion-dollar question - for many companies, tens of billions may be at stake - is how broadband actually will be delivered to homes, businesses and institutions: over telephone lines, via cable or by satellite signals. Who will spend the money to build broadband networks, and how will they profit from those networks?

The big telecommunications carriers are the obvious candidates, assuming their national monopolies are deregulated to allow them to compete in each other's markets - and to allow outsiders, including satellite and cable companies, to compete, too.

Combined with the convergence of computing and communications, deregulation has triggered a wave of

Continued on page 10

Broadband Communications

The next technological wave aims toward integrated broadband services, which will provide high-quality and interactive multimedia services, with ATM as the lead technology. North America, Europe and Asia-Pacific are rushing to develop an ATM broadband infrastructure as the backbone of an information society.

Inside

Page 10 Doctors and dinosaurs

Page 11 Global Information Infrastructure
Pricing strategies

Page 12 United States: Building the NII
Europe's ATM Network

An IHT/ETSI initiative.

TODAY'S KEY PLAYERS: STILL ON TOP TOMORROW?

Data-communications and telecom companies launch the ATM offensive.

Enormous research and development resources are needed to develop and manufacture the equipment at the core of telecommunications infrastructure. This has resulted in the consolidation of the industry, from 20 or 30 companies in the late 1970s to a handful of players today. They include Alcatel, Ericsson, Nortel, Siemens, Fujitsu and NEC.

The new challengers
Technology is affecting telecommunications more than any other single factor. Developments since the early 1980s, when optical fiber was first demonstrated as being economically viable, have been more rapid and profound than ever before in the history of telecommunications. It could be argued that in terms of price/performance, many of the elements of modern telecommunications systems are improving faster than the integrated circuits that revolutionized the computing sector.

The new challengers

It is possible that the analogy of the computer industry will have further resonance. Companies that led the industry in the days of the mainframe have not fared well in the new era of democratic, distributed computing. It is newcomers Microsoft and Intel who have risen from start-up to market

Continued on page 12

CREATING THE STANDARDS TO FULFILL ATM PROMISE

ATM offers the possibility of seamlessly integrated communications.

Asynchronous Transfer Mode offers two unprecedented advantages. ATM is the first transmission technology that is able to cope with voice, data, video and image traffic with equal facility and that is suitable for communications to the desktop, across local and wide-area networks, and for use on public and private infrastructures.

It uses fixed-length (53 bytes) cells that are routed across a network connected by ATM switches, and it combines the best features of circuit and packet switching - that is, guaranteed bandwidth efficiently used. Naturally, this promise of seamlessly integrated

communications can only be fulfilled if the necessary standards are in place. Given ATM's scope, this is a major undertaking.

History of ATM

ATM grew out of the work done on B-ISDN (Broadband Integrated Services Digital Network), which began in the mid-1980s. George Dobrowski, director of broadband signalling and switching technology at Bellcore, says that in summer 1989, having looked at a number of options, the CCITT (now the International Telecommunication

Continued on page 12

We help you grow

ALCATEL

Come and see us at Hall 4 - Stand 320

مكتابات الاعمال

SPONSORED SECTION

TRACKING TELECOMS

WHAT DO DINOSAURS AND DOCTORS USE IN COMMON?

From Jurassic Park to surgery rooms, multimedia is all the rage.

The doctor peers at the X-ray before giving his diagnosis to a colleague prepping a patient for surgery. It is an everyday event in a hospital, but here the senior doctor is examining the X-ray on a computer monitor connected by telephone to his protégé's computer 500 kilometers (310 miles) away. If necessary, he could lead his junior colleague through the actual surgery. This is "tele-medicine," one of many new videoconferencing applications.

Linked by ISDN Basic-Rate Interface (BRI) lines, users with desktop PCs equipped with FlipCam can conduct meetings and share files as if they were in the same room. The hardware connector contains a "codec" (coder/decoder), switcher, audio mixer and software algorithm. The video interface is connected to a digital PBX or directly into a LAN. Recent advances support multipoint connections even if participants use dissimilar video equipment, digital transmission speeds or network-transport services. Sites can even be connected by satellite via the GBVS network.

Voice Activated Switching lets participants see the speaker, who sees the previous speaker. "Chair Control" lets a participant request or relinquish control, choose the broadcaster or drop a participant.

Videoconferencing is rapidly becoming integral to the business world. "Soon it will be so integrated into your workspace that it will be an everyday tool," says industrial analyst Sara Dickinson of Personal Technology Research.

Aerospace, computer science, electronics and automobile designers use videoconferencing to reduce travel time and costs. Owens-Corning executives conduct meetings comprising engineering, headquarters, technical and manufacturing personnel at 21 North American and European plants. Other companies use it for training widely separated employees, presentations, job interviews, construction planning and quality-control inspections of overseas factories.

But videoconferencing serves more than business. In academic circles,

"Distance Learning" lets teachers present material and quiz participants in several locations. California State University at Sacramento now links lecturers with 26,000 off-campus students. Primary-school pupils in Los Angeles and Tokyo ask each other about their respective countries. And this year, several National Basketball Association teams videoconferenced with their top draft picks before making their final selections.

Special-effects wizards
Industrial Light & Magic, the special-effects wizards, uses a sophisticated transmission technique with greater bandwidth, a dedicated ISDN line and satellite. "When we were creating the special effects for 'Jurassic Park,' we held daily meetings with Steven Spielberg, who was in Poland filming 'Schindler's List,'" says Ellen Pasternak of ILM. "Both parties could view the same video transfers and see the others' faces. They used pointers to indicate, say, a portion of a dinosaur's

eye, and ask, 'Is this the way you want it to look?'

"At Skywalker Sound," she adds, "we record actors in Los Angeles dubbing live. We can sync it up with our recording studios near San Francisco with perfect clarity."

According to "The Desktop Personal Conferencing Market: A State of the Industry Report, Part 1" of March 1995, "there are approximately 28,000 videoconferencing systems in use worldwide on PC, Macintosh and Unix platforms across WAN, ISDN, PSTN and LAN environments." PC-based

ISDN BRI capable systems hold the main market share (61 percent), followed by Unix (34 percent) and Apple (5 percent). The major servers are AT&T, Intel and PictureTel, which in 1994 together held 81 percent of the market, followed by British Telecom, Vivo and VTEL.

Decreasing costs
Costs are far below those for travel. Video calls from Los Angeles to New York cost around \$30 per hour. To Britain, they average \$240 per hour, and to Japan, \$260 to \$280.

BROADBAND COMMUNICATIONS

*Multimedia applications: From medicine to cinematic special effects, videoconferencing offers a cheaper and highly efficient alternative to travel.*

ers," says Sheryl Robertson, video applications manager for AT&T. "Cameramen and voice transmissions require 90 megabits of information per second, far more than present systems can handle. Codec cards and software compress it 800 to 900 times to put it through a 128-kilobit line, but this is still not enough for full-motion video."

As in most telecommunications, fiber optics is the miracle medium that will broaden the bandwidth, but experts agree that full global broadband networks are still five to 10 years away. *Steve Van Beek*

THE BEAUTY AND BEAST OF GLOBAL COMMUNICATIONS

Continued from page 9

corporate alliances aimed at creating and delivering multimedia.

From copper to fiber

Fiber-optic lines capable of carrying millions of bits per second – needed for teleconferencing, video-on-demand, interactive virtual-reality training and other rich multimedia applications – are seen as the logical successor to today's narrowband twisted-pair copper telephone lines. However, replacing existing phone lines with fiber is a huge and expensive undertaking, particularly in the United States, with its huge installed copper base.

Fast Ethernet, FDDI (Fiber Distributed Data Interface), frame relay and other technologies are making networks work faster, but the telecommunications carriers believe the long-range trend is toward B-ISDN (Broad-

band Integrated Services Digital Networks) based on the SONET/SDH hierarchy, and ATM (Asynchronous Transfer Mode) international networking standards. The ATM market is expected to grow from \$165 million in 1994 to \$2.3 billion by 1997. With ATM, transmission speeds will reach 155 Mbit/s, and eventually 622 Mbit/s.

Despite the disadvantage of installed narrowband, where even digital upgrades for a "video dial tone" deliver VHS quality rather than the better broadcast-quality video, telephone companies have the advantage of being geared toward service and offering two-way communications. Cable can handle broadband transmissions now – a single video channel can carry 1,500 phone calls – but the industry is geared toward entertainment, rather than utility-style service, and generally offers one-way bandwidth with only small upstream capabilities for interactive

multimedia. Similarly, direct satellite distribution, with its advantages for rural and less-developed areas without established communications bases, has the problem of difficult uplinks to satellites.

Many experts believe that the businesses, institutions and perhaps even the homes of the 21st century will have a mix of telephone, cable and satellite service, and many customers will use a combination of two or all three. How customers pay for broadband service – flat monthly fees or by time, content, distance, the number of bits sent or received, or some combination of those – will be a big and competitive issue.

The chicken and the egg

Whoever builds broadband networks – telephone, cable TV or satellite companies – will face the task of filling the bandwidth with products and services that consumers, businesses and educational institutions will pay for. Will broadband networks lead to the development of new multimedia products and services?

Or will new multimedia spur the development of broadband?

"It is a chicken-and-egg sort of thing," says John Pike, director of the Center for Telecommunications Management at Texas A&M University. "The short-term driver is going to be entertainment and recreation. Business applications will follow behind except in certain industries where there is a need, such as in programming. Let us imagine a business customer who really sees how he or she can do better with broadband service. The best thing for that customer is to see a big entertainment splash with broadband, to develop the infrastructure for what he or she wants to do."

Others, however, warn that the ex-

pected demand for multimedia may be years away. "A big factor is whether or not the consumer is ready for all of the services," says Doug Jacobson, a professor of electrical and computer engineering at Iowa State University. "Until there is a demand for all services, we will not see much broadband fiber to the home."

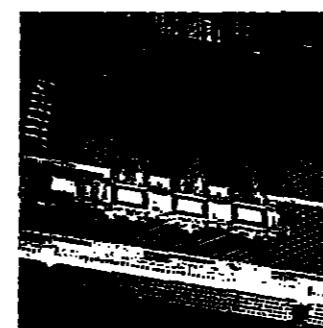
Even if there is demand for broadband, many experts believe a truly global broadband network is decades away. "Do not underestimate the time it will take," says Milton Mueller, a Rutgers communications professor working on a research project in Hong Kong this year. "We are talking at least 30 years before a truly ubiquitous broadband network spreads throughout the United States. Anyone who says differently simply has no grasp of the size of the investment and the scale of the coordination problems involved."

Tia Harper



"Broadband technology makes it even more important to be focused."

CECILIA UEBEL BLOMGREN, Manager, Business Development ATM Broadband, Ericsson Telecom, Sweden.



The new broadband technology is changing the shape of communication between people. Soon we will all have free access to voice, data, text, image and video via public networks, 24 hours a day. At home and at work – anywhere in the world. How we use this is limited only by our imagination.

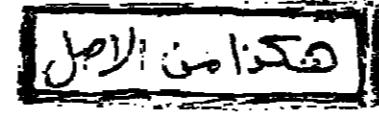
Ericsson recognised the need to harness this vast potential early on. We invested heavily in research. And out of our vision of a global information society has come technology that serves the individual's needs, while helping our customers open up new business opportunities. Ericsson's approach to broadband communication is comprehensive. At its core is an ATM broadband system for all sizes of switching, transport and access nodes. This system permits the rapid, economic development and introduction of new variable bandwidth, multimedia, interactive broadband services for business and residential users.

Ericsson's 80,000 employees are active in more than 100 countries. Their combined expertise in switching, radio and networking makes Ericsson a world leader in telecommunications.

It's about communication between people. The rest is technology.

Telefonaktiebolaget LM Ericsson, S-126 25 Stockholm, SWEDEN.

ERICSSON



TRACKING TELECOMS

BROADBAND COMMUNICATIONS

SLOUCHING TOWARD A GLOBAL NETWORK

An update on the building of the global information highway.

Who will have access to cyberspace? Who will be able to post and retrieve, to upload and download, to offer services on demand and demand services? Who will build the information superhighway? Who will pay for it? Will there be legal protections for privacy, free speech or copyrights?

These are just some of the questions posed along the way toward development of the Global Information Infrastructure (GII), the blueprint being drawn for the electronic global village of the 21st century.

The GII is, literally, the global information superhighway. Just as the roadway engineers of the 20th century tried to lay concrete for the most efficient movement of vehicles carrying people and products, the builders of the information superhighway are striving for the open movement of information to and from any part of the world.

Global information market

The movement toward the GII has grown out of the United States' agenda for establishing a National Information Infrastructure. Now G7, the group of leading industrial nations, and other international political and trade blocs, including the European Union, are trying to agree on technical, legal, economic and cultural frameworks for international telecommunications.

A G7 report put it this way: "By interconnecting local, national, regional and global networks, the GII can increase economic growth, create jobs and improve infrastructures. Taken as a whole, this worldwide 'network of networks' will create a global information marketplace, encouraging broad-based social discourse within and among all countries."

Six principles for GII

Guenther Moeller, director general of the German Information Technology Manufacturers' Association, says: "To prepare for the markets of tomorrow, information must be made available in the right form, at the right time and at an affordable price."

Mr. Moeller — who is also secretary general of EUROBIT, the European Association of Manufacturers of Business Machines and Information Technology — lists six principles for the GII: interoperable systems and applications, privacy and data security, protection for intellectual property rights, universal access to networks, access to research and development, and new applications.

"Looking globally, we see a patchwork of incompatible communications networks marked by high costs, low-quality services and very limited interoperability between systems," Mr. Moeller says. "What we desperately need is a

common worldwide infrastructure to communicate information at reduced costs."

In the United States, the Electronic Industries Association and its affiliate association, the Telecommunications Industry Association, recently released an expanded "White Paper" on the building of the GII. EIA and TIA offer the following recommendations: The private sector must play the lead role; enlightened regulation is essential; the role of global standards is critical; universal service and access must support competitive, market-driven solutions; security and privacy are essential requirements; and intellectual property rights must support new technologies.

"We believe the acceleration of the GII's evolution should be based on a national policy of private ownership and open market competition," says TIA President Matthew J. Flanigan.

Public or private?

The Clinton administration has said it will leave the actual construction and management of a National Information Infrastructure up to private industry and the rules of the free market. Some other countries may be more willing to put government money into technical infrastructure, including paying for faster, broader networks. At this point, however, it appears that the GII will be underscored by a commitment to free markets and democracy through the free movement of ideas and information all over the world.

End-to-end transparency

There have been a few preliminary agreements signed in recent months — between the United States, for example, and Chile, Argentina, Mexico and Russia, respectively — but no one knows how long it will take the nations of the world to agree on an overall GII. Years, certainly. One of the first steps has been an agreement among the G7 nations to interconnect national broadband networks by 1997, as a base for "end-to-end transparency in global networks." Determining when every corner of the world might have its own on-ramp for the information superhighway, however, is more difficult.

"There have been successes, but most of the discussions have focused on laying the groundwork," says Paige Darden, a spokeswoman for the U.S. Commerce Department's National Telecommunications and Information Administration. "When you consider that 50 percent of the world's population has never talked on a telephone, we have a long way to go."

T.H.

"BROADBAND COMMUNICATIONS" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITER: Steven Bartlett in France, Tim Harper in the United States, Annie Turner in Britain, and Steve Van Beek in the United States and Thailand.

PROGRAM DIRECTOR: Bill Maher. TOMORROW'S SECTION: Communications and Computing.



CABLE/WIRELESS

Opening a world of possibilities: The information superhighway will transform the way people work and play.

NEW STRATEGIES NEEDED FOR PRICES

Telecommunications operators are facing serious dilemmas concerning tariffs.

The present pricing structures of telecom operators reflect historical necessities rather than the situation today, and the coincidence of a number of factors is making their current strategies indefensible and inappropriate.

Tim Kelly, head of operations analysis at the International Telecommunication Union, says tariff structures are based on a scarcity of capacity and "are optimized for the usage of each telephone line for just a few minutes per day." This is no longer relevant to developed countries. Mr. Kelly argues that if telephone companies want to provide services such as home shopping and video-on-demand, then they need to consider abandoning their cherished principle of volume-based charges.

If volume-based charging continues, then a Belgian consumer, for example, watching a movie down-

loaded from a server in America would have to pay around \$65 per hour for the privilege (based on ITU figures) because the "call" would be billed at the same rate as for a voice call of that duration. Clearly there would be few subscribers, but on the other hand, it would be difficult for an operator to justify different tariffs for disparate types of traffic, carried over the same network.

The age of multimedia
Voice traffic is common to the business and residential markets, and hence charges are broadly similar. Data carriage, on the other hand, has only concerned the business community, and operators charge premium rates for services such as leased lines, X.25 and frame relay. In the coming age of multimedia, the residential market will be involved for the first

time in generating significant amounts of traffic other than voice, and the premiums it will bear will be much less than those the business community has been willing to shoulder.

ATM (Asynchronous Transfer Mode) poses difficult questions.

It is the first technology that can handle voice, data, images and video with equal facility and that can supply the required bandwidth as it is needed.

This wrecks current pricing policies, with carriers charging premiums for, say, 56 k, 64 k, 1.5 M or 2 Mbit/s leased lines.

Cost-based charges

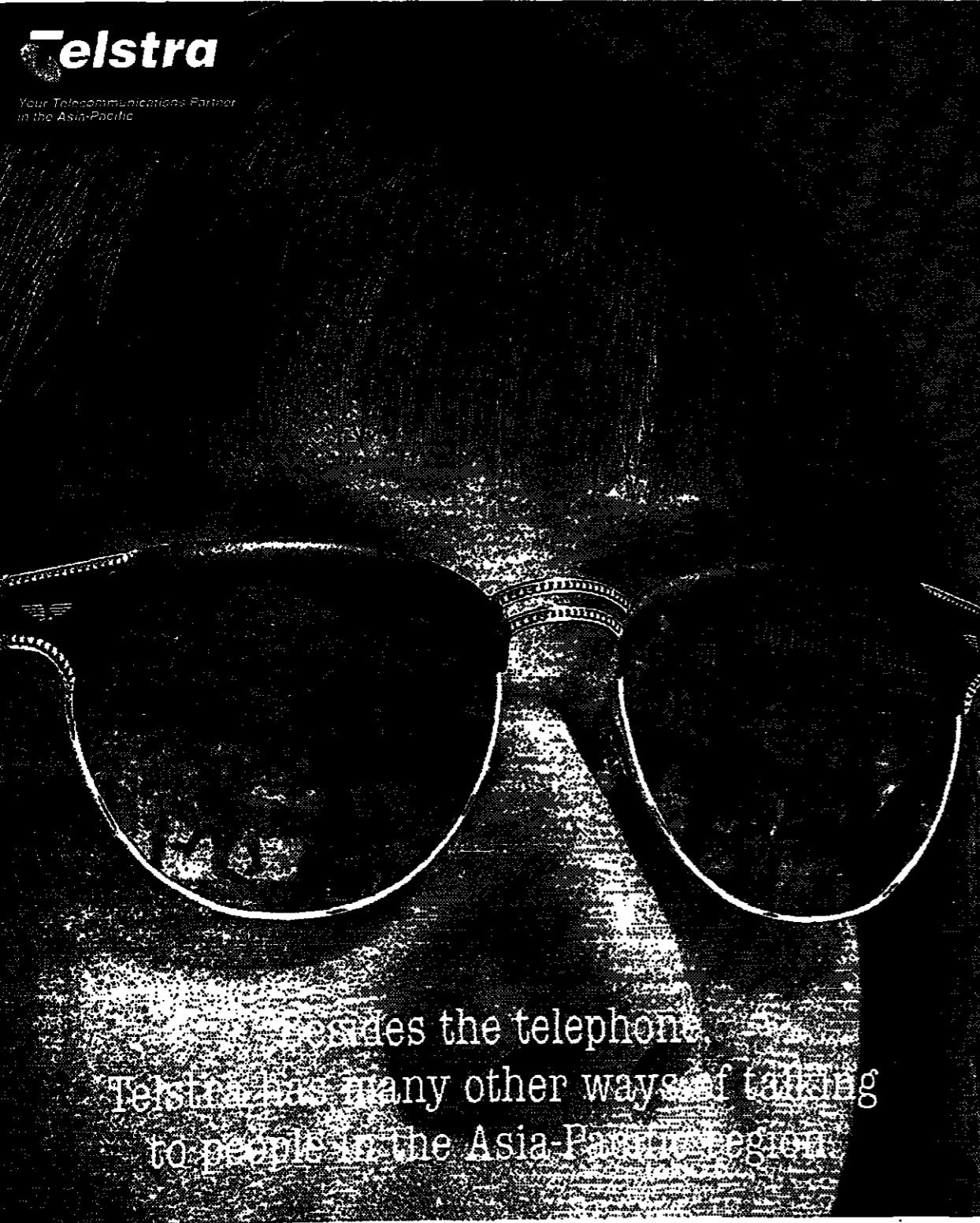
Public network operators are also facing increasing pressure to make their charges cost-based. This is likely to demand a shift in tariffing policy; for example, connection charges and line-rental charges do not usually cover

the cost of running the local loop, so that cost is subsidized by higher call charges. Rebalancing would mean higher fixed costs and lower call charges. In the longer term, the marginal costs of switching and transmission are heading toward almost nothing, which will wreck operators' profits if costs are to be price-based.

All these factors have to be considered in the light of the introduction or expansion of competition. Where does this leave the operators? The trick they need to work out is how to maintain revenue from existing services while introducing new ones, such as interactive multimedia. Here is where operators can turn ATM to their advantage and use its flexibility, coupled with sophisticated billing technology, to offer customers more options or packages.

Annie Turner

Telstra
Your Telecommunications Partner
in the Asia-Pacific



... besides the telephone,
Telstra offers many other ways of talking
to you in the Asia-Pacific region.

As businesses turn to multimedia networking to communicate with their markets, Telstra is leading the way in connecting the world to the Asia-Pacific region through a variety of multimedia channels. We are building a world class digital broadband fibre/conduit cable network. In a joint venture with News Corporation, entertainment services will commence on this network in late '95. Telstra is also developing a range of advanced interactive services, evolving to broadband as technology and the market matures. For global corporations, the network will provide access to multipoint videoconferencing around the Asia-Pacific region. In another joint venture, Telstra and Microsoft Corporation will provide an international on-line messaging, information and transaction service to Australia's PC users via our existing narrowband and ISDN networks, creating a global publishing platform and distribution channel for new and innovative products and services. With Telstra as your Asia-Pacific telecommunications partner, you can connect to the network technology of the future. Talk to us about your specific needs at Stand 7.317 at Telecom '95, or call Telstra in Australia from:

SINGAPORE 6161 341 • HONG KONG 800 4469 • MALAYSIA 031 4722-4000 • INDONESIA 021 800 61 882 • THAILAND 021 800 61 4499 • PHILIPPINES 1 800 61 0028 • TAIWAN 0200 61 1183 • JAPAN 031 61 630

• SINGAPORE 6161 341 • HONG KONG 800 4469 • MALAYSIA 031 4722-4000 • INDONESIA 021 800 61 882 • THAILAND 021 800 61 4499 • PHILIPPINES 1 800 61 0028 • TAIWAN 0200 61 1183 • JAPAN 031 61 630

0-95

PEOPLE
TO
PEOPLE
TECHNOLOGY

Things have changed considerably since the days of stone slates. Yet, no matter how advanced the technology, the intent remains the same: People communicating with people, expressing their most important thoughts and ideas.

Since 1881, Oki has been helping businesses and individuals communicate around the world.

Without losing personal touch. We've grown a bit since then, to a global leader in telecommunications.

Information processing and electronic devices. Still, as we develop new multimedia technologies,

we always keep in mind our most important goal: Getting the message across for you, without getting in the way.



Telecommunications



Information Processing



Electronic Devices

OKI

Oki Electric Industry Co., Ltd.

Tokyo, Japan



See us at
Stand No. 5. 113

TRACKING TELECOMS

BROADBAND COMMUNICATIONS

LIFE ON-LINE: AMERICA'S INFORMATION SUPERHIGHWAY

The question is not whether, but when.

There is much talk among the philosophical road sides of the information superhighway about the so-called Jeffersonian ideal of cyberspace. Groups such as the Electronic Frontier Foundation, a public-interest organization, see the future of telecommunications as more egalitarian than elitist and more decentralized than hierarchical, serving individuals and communities, not mass audiences.

On the other hand, it is the large corporations, with money and technology and more money, that are doing the most to actually bring the information superhighway into homes and businesses, and to bring millions of people on-line with information, games, shopping and other entertainment, and personal services that appeal to enough people to be commercially viable.

Intense lobbying

So far, the debate on the future of the National Information Infrastructure has been robust and spread across a wide spectrum of American society. Certainly the companies with the most to gain — the telephone and cable companies, primarily, but also other communications, computer and entertainment interests — have been waging intense lobbying campaigns for the benefit of both Congress and the public.

Communities around the country are moving — usually with a combination of private, government and school funding — to become "electronic villages," where homes, business, civic groups, schools and local government are all linked by broadband networks. Business groups and state governments are also working to build their local lanes for the information superhighway.

For example, Smart Valley, Inc. — a non-profit organization working with a variety of Northern California businesses, many of them in computing and communications — is one of several groups trying to lay a regional foundation for the national information infrastructure. Some follow a top-down model, driven by government, a large educational institution, or one or two large private companies. Others, such as Smart Valley, strive for a grass roots strategy, acting as a catalyst or facilitator to bring together government, private and civic groups and individuals to work on collaborative projects.

Virginia is one of the states where government and education have taken the lead. The

University of Virginia has completed a "Virginia Broadband Network Study" proposing that the state government serve as the "anchor tenant" of a broadband network combining 20 local exchange carriers throughout the state.

Fiber coverage already extends to more than 95 percent of the state's local exchanges, the report says, and digital switching of old narrowband lines would create a 100 percent broadband network that would cost \$1 billion to complete and bring in up to \$5 billion in additional tax revenues over the first decade, largely through a \$15 billion boost in gross state product.

The Virginia plan is similar to many others throughout the United States in that it does not contemplate waiting for a completely fiber network to begin carrying broadband. Twisted-pair copper can still deliver broadband via new technology such as Asymmetrical Digital Subscriber Line. ADSL-1 would allow the current wiring on three of four American and Canadian homes to receive 1.544 megabits per second, which is suitable for VCR-quality video. ADSL-2 can run beyond 3 Mbit/s, and ADSL-3 beyond 6 Mbit/s.

Something worth paying for
Do Americans want or need all those bits pouring into their homes, either by fiber or copper, or through cellular or satellite signals? The answer is yes. But the question is when. Americans will not be eager to repay investments for broadband fiber, or even ADSL, unless and until the technology delivers something worth paying more for — whether games, electronic mail, shopping and financial services, or anything else.

So will the future of cyberspace be dominated by multimedia and telecommunications giants, pumping out entertainment that sinks to the lowest common denominator? Will the deregulation of the American telecommunications industry amount to little more than a business plan for the regional Bells, Hollywood and the cable industry? Or will the future bring small pockets of special interests and electronic "communities" — perhaps a version of Marshall McLuhan's "global village," with room for pluralism and diversity?

The goal of the NIH, perhaps, is to make room for both, and then see what happens.

T.H.



Top telecom players are looking to China and other developing countries for continued growth.

WILL TODAY'S KEY PLAYERS REMAIN ON TOP TOMORROW?

Continued from page 9

dominance within a few years. The same pattern could emerge in the telecommunications industry, with ATM (Asynchronous Transfer Mode) being the most likely offensive.

System suppliers' edge
ATM is the first technology to be developed by both the telecommunications and data-communications industries. The latter is accustomed to cut-throat competition and profit margins, routinely living with price reductions of about 20 percent or 30 percent per year, and getting products to market in a matter of months. These companies are delivering ATM equipment for data networks at prices that "must horrify product managers in the established telecommunications-equipment manufacturers," says David Cleevely, managing director of consultancy Analysys, based in Cambridge, England.

Furthermore, these computer-systems suppliers themselves have an established base inside customer premises. As a result, they have a better understanding of what customers want and how their communications and information-processing needs are evolving. It is the system suppliers, not the established players in wide-area networking, who may be in the best position to exploit this new technology.

Perhaps the company best positioned to seize this opportunity is Electronic Data Systems, in addition to having a close relationship with end users — for whom it designs, installs and runs systems and provides consultancy as required — EDS also has a good grasp of the telecommunications operators business. "There is a very large business helping telecommunications companies with back office and customer support," says John Harris of EDS' Communications Industry Group. "It accounts for around 10 percent of EDS' total \$10 billion turnover and is one of the fastest-growing areas."

New growth areas
As no further mergers are possible within the telecommunications-equipment-supply industry, manufacturers must look elsewhere for growth. It is said that, to date in Britain, Nortel (formerly Northern Telecom) has earned more from new operator Energis in the form of consultancy in network design than from equipment sales. Alan Lytle, a vice president of Nortel (Northern Telecom) World Trade, says that flexibility and integrity are the key to future success.

NORTEL

Developing markets

Mr. Lytle also looks to developing markets for continued growth, but says partnership is crucial and that such countries are knowledgeable about what they want and what they will pay. Nortel has been in China since 1972; it has a 10 percent share of the market, four joint ventures and five factories there.

The latest one to be completed in Shunde, Guangzhou province is as big as Nortel's largest manufacturing plant, which is in its native Canada.

Alcatel

has announced

that it

intends

to

be

a

shareholder

in

various

network

operators

to

generate

new

revenue

streams.

Last year

it

entered

the

contest

for

a

personal

communications

network

PCN

license

in

France

losing

to

Bouygues

and

has

become

a

shareholder

in

Globalstar

a

global

mobile

satellite

service

consortium.

Annie Turner

IN INTEREST OF ALL: EUROPE'S NETWORK

Europe tests the world's largest ATM network.

Cooperation is still the key word as the rollout of Europe's broadband information superhighway continues to gather momentum. European operators have set up the world's largest and most sophisticated ATM network in a concerted bid to accelerate the development of broadband standards and gain vital operational experience. Now they are working together again in response to a new European Commission call for tender.

Five operators signed the original Memorandum of Understanding in 1992. Eleven more had joined by July 1994, when the ATM pilot network was up and running for trial. The official opening ceremony, a Dublin-Brussels video-conference in November 1994, was simultaneously relayed to more than 20 European cities. The full-scale test was Europe's chance to shorten the technology learning curve by running a real network with real transmission systems, ATM switches and multimedia applications. Leading-edge applications came from researchers working on pan-European research projects such as RACE, TEN-IBC (Trans-European Network, Integrated Broadband Communications) and the ETSI's own research and development laboratories.

About 60 of these high-speed multiservice applications have now been run across the network; they range from videoconferencing and multimedia mail to high-speed computing and telecom network testing. In the aerospace industry, academic researchers and industrial manufacturers have linked up for satellite design. In European hospitals and universities of medicine, other researchers have been able to work together on disease diagnosis, cardiology and general consultation at long distance.

What's the point?

The prime objective of the exercise to date has been to examine ATM technology in action, to put ETSI- and ITU-recommended standards into practice and, most specifically, to test the interoperability of ATM cross-connects in a multi-vendor and multi-operator environment.

The ATM Pilot is accelerating the introduction of compatible broadband capabilities within Europe, and the issue for users is how to make best use of a shared high bit-rate network," says a spokesperson for Deutsche Telekom in Bonn, echoing the ATM Pilot Members' recently reported results. A BT spokesperson in London says: "Everyone is cooperating because it is in everyone's interests. That way, you get the equipment faster and cheaper."

By the end of 1995, a date which coincides with the end of the original Memorandum of Understanding, the ATM Trial Network will probably be used by 200 user groups.

Earlier this year, the European Commission launched two calls for proposals in a bid to address R&D precompetitive trial interconnection needs. Two consortia are bidding. The first, TEN34 (Trans-European Network at 34 Mbit/s), brings together the interested user groups from Europe's research and academic networks. The second, JAMES (Joint ATM Experiment on European Services), consists of 18 operators — all the original MoU signatories and one newcomer from Greece (OTE).

Users' point of view

Industry observers would like to see the commission accept both offers and encourage them to work together. "The European ATM pilot was a technology trial. Now we want to get the user involved in defining the type of commercial applications they require," says Jean Louis Morard, ATM and broadband services manager with BT Global Marketing in Paris. "The initial trial raised some rather complex issues. With JAMES, we intend to improve the operational side and look at new services from a user/market point of view."

A spokesperson at France Telecom, another of the MoU's original signatories, underlines the need for dialogue. "We need to see how each side approaches the problem," says the spokesperson. Michel Levy, chairman of the European ATM Forum, is more bullish. "The market is taking off, and technology is no longer the issue," he says. "ATM is moving from the experimental to the commercial phase."

Steven Bartlett

Tracking Telecoms

During Telecom 95 (Geneva, Oct. 3-11, 1995), the International Herald Tribune will publish a Special Report followed by seven Sponsored Sections in its worldwide edition.

- October 3: Telecommunications
- October 4: Corporate Networks
- October 5: Mobile & Wireless Communications
- October 6: Entertainment
- October 7: Broadband Communications
- October 9: Communications and Computing
- October 10: Personalized Services
- October 11: Network Management

Enhancing Global Standards Collaboration

Tracking Telecoms is an initiative of

Herald Tribune

ETSI

sponsored by

ALCATEL

Telstra

TEXAS INSTRUMENTS

France Telecom

ERICSSON

in association with

ATSC

TSACC

CCCNT

TIA

TTA

TTC

and with the collaboration of

IDATE

International Herald Tribune • European Telecommunications Standards Institute • Alcatel • Telstra • Texas Instruments • France Telecom • Ericsson • International Telecommunication Union • Australian Telecommunications Standardization Committee • Standards Committee 11 Telecommunications (ITU) • Telecommunications Standards Advisory Council of Canada • Telecommunications Industry Association (USA) • Telecommunications Technology Association of Korea • Telecommunications Technology Committee (Japan) • Institut de l'Audiovisuel et des Télécommunications en Europe.

As a complement to the print supplements, the IHT is publishing a multimedia CD-ROM called Tracking Telecoms.

A limited number of reprints of the Tracking Telecoms print sections will be published.

For a free copy, or for information about the CD-ROM, fax Bill Maher, IHT Paris, at 33.1.4143.9213, or Christopher Corbett, ETSI, at 33.9365.6716.

DEVELOPING THE STANDARDS TO FULFILL ATM PROMISE

Continued from page 9

Union Telecommunication Standards Sector (ITU-T) chose ATM as the switching and transport technique for broadband.

The following year, 13 I-Series Recommendations were drawn up to describe the concept and specifications to introduce ATM into networks. These initial recommendations have been much expanded since then, and work is still under way to define multichannel signaling protocols, traffic-management techniques and performance-measurement mechanisms.

Other standards that have a bearing on the development of ATM include the SDH/SONET (Synchronous Digital Hierarchical/Synchronous Optical Network), which is a range of fiber-optic transmission rates, and the Q-Series of Recommendations.

The latter are the responsibility of Study Group 11 of the ITU-T and pertain to switching and signaling issues.

The ATM Forum

The great potential of ATM gave rise to the founding of the ATM Forum. It had four initial members; the number has now swelled to 742 and includes computing and communications companies, government agencies, research organizations and end users. There is great emphasis on interactivity.

The ATM Forum is not a standards-setting body. "The

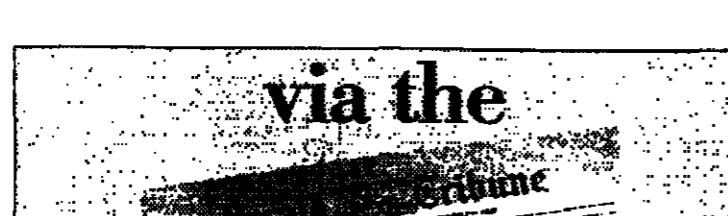
main role in the local area network as being in the backbone. He says that as "a radical new technology, ATM is facing stiff competition from evolutionary technologies, principally Switched Ethernet, which can supply dedicated 10-megabit-per-second pipes to the desktop if needed or by 100 Mbit/s Ethernet, which can be deployed in the backbone."

Commercial services

Meanwhile, work is going on aspects in the ATM Forum concerning the introduction of ATM into public networks. In the B-ICI (Broadband-Inter Carrier Interface) Work Group (one of 11), good progress is being made on SVC (Switched Virtual Circuit) interfaces. Earlier specifications only covered PVCs (Private Virtual Circuits) and hence had no ability to signal what kind of connection was required.

The new specification, which should be completed very soon, covers SVCs and will allow links between different operators' switches. Mr. Dobrowski says that 13 inter-exchange carriers are offering a commercial ATM service, some of which will be SVC by the end of this year. Dr. Iain Stevenson, ATM specialist with London-based consultancy Ovum, adds that in Europe, Telecom Finland and Deutsche Telekom offer commercial services already and will be joined by Belgacom, Denmark and Sweden.

Annie Turner



THE WORLD'S DAILY NEWSPAPER

TRIB INDEX

WEEKLY

MONEY & IN

DRENCY & IN

Connect at
TELECOM
'95.
IBM

Herald Tribune
BUSINESS / FINANCE

SATURDAY-SUNDAY, OCTOBER 7-8, 1995

Solutions
for a
small
planet

PAGE 13



THE TRIB INDEX: 126.52

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

130



100 A M J J A S 1985

140 Asia/Pacific Europe

120 Approx. weighting: 32% Close: 128.23 Prev.: 128.40 Down 0.13

100 A M J J A S 1995

140 North America Latin America

120 Approx. weighting: 26% Close: 121.92 Prev.: 121.92 Down 0.00

100 A M J J A S 1995

140 World Index

The Index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization. Otherwise, the Index is composed of the 20 top stocks in each country.

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

© International Herald Tribune

By Alan Friedman
International Herald Tribune

PARIS — The French franc plunged against the Deutsche mark on Friday, prompting the Bank of France to take emergency action in an effort to defend the beleaguered currency.

The move by the bank, which came after a sell-off of the franc caused the mark to soar above 3.52 francs during the day from less than 3.47 on Thursday, was being described Friday by some economists as a prelude to an interest-rate increase if the franc remains under siege next week.

The franc's fall to a three-month low against the Deutsche mark on Friday caused the Bank of France to implement its emergency lending procedure. In a clear admission that the franc was under attack, the French central bank took steps on Friday afternoon to discourage speculators by suspending its 5- to 10-day lending rate of 6.15 percent and replacing it with 24-hour lending at the same rate.

The bank took similar action last March, when the franc also tumbled against the mark.

While analysts cited several economic and political reasons for the franc's latest nosedive, they singled out the mounting uncertainty over the future of Prime Minister Alain Juppé.

Official denials of speculation that Mr. Juppé might re-

sign failed to soothe investors, whose popularity has plummeted in recent opinion polls.

Mr. Juppé's standing suffered further Friday from the news that French officials have opened a preliminary investigation to ascertain whether there are grounds to prosecute him over allegations that he improperly intervened to reduce his son's rent at a Paris city-owned apartment while an official of the city. The initial probe does not mean that charges will necessarily be filed against the prime minister, who nonetheless announced that he and his son would move out of their city-owned apartments.

Mr. Juppé has pledged to cut the budget and social security deficits enough to bring France's public deficit to 3 percent of gross domestic product by 1997, in time to join the European Monetary Union on Jan. 1, 1999.

Also contributing to the attack on the French currency are worries over the public-sector strike that has been called for next Tuesday to protest Mr. Juppé's proposal to freeze the salaries of civil servants in France.

Some economists say that if the French government is cowed by union pressure and agrees to give 4 million civil servants raises, that would cast doubt on its promise to cut its budget and social security deficits.

The franc rose slightly after the central bank's move. In late Paris trading, the mark was quoted at 3.5073 francs after hitting a three-month high of 3.5220. But it was still far above its closing level of 3.4695 on Thursday.

The German currency remains far from its 3.90-percent ceiling within the European exchange-rate mechanism, the grid that limits most European Union currencies' fluctua-

tion.

See FRANCE, Page 14

Strong Dollar Gets Vote as G-7 Meets Treasury Says It Is in U.S. Interest to Support Value

By Brian Knowlton
International Herald Tribune

WASHINGTON — Treasury Secretary Robert E. Rubin gave renewed support Friday to a strong dollar and said he would work with fellow Group of Seven finance officials when they meet here Saturday, on ways to maintain its strength.

Finance officials and central bankers of the rich industrial nations will also be looking closely at the steps Japan has taken to boost economic recovery and repair its battered banking system. The G-7 session takes place on the fringes of the annual meeting of the International Monetary Fund and the World Bank.

The Japanese were embarrassed last week by news that Daiwa Bank had lost \$1.1 billion on unauthorized bond trading, only months after three Japanese banks were forced to close. Tokyo sent a high-level delegation here to explain the curative measures taken.

Mr. Rubin is to meet separately Saturday with Finance Minister Masayoshi Takemoto.

He told reporters Friday that he believed "very strongly" that a robust dollar was in the U.S. interest.

Other G-7 members, notably the Japanese, have expressed similar support for the American currency in recent days. But it was not clear whether the G-7 would actually act as it did after its last meeting, when coordinated action by the central

banks of three members helped boost the dollar's value.

Mr. Rubin issued a hedged endorsement of Japanese measures. He said that Japan had "crossed a bridge" on the way back from its longest economic downturn since the 1930s and was working "very constructively" to overcome doubts about its troubled banking system. But he added that the danger was not over.

While the IMF has said the overall world outlook was encouraging — it predicts economic growth next year of 4.1 percent, up from 3.7 percent this year — concerns remain, notably those raised by the Mexican debt crisis.

G-7 policymakers are to pursue talks on assembling a \$50 billion fund to help forestall such jolting crises in the future. Mr. Rubin said Friday that informal talks with prospective donors to the fund, many of them from the fast-growing East Asian countries, had made "very good progress."

The dollar, meanwhile, has gained 20 percent against the yen since hitting a record low in April. A rising dollar and falling yen help Japanese exporters, boost corporate confidence there and reduce the risk of layoffs in Japan.

Mr. Rubin also sought to provide assurances on two political questions that could profoundly affect market stability.

He said that "very big differences" remained between the President Bill Clinton and Congress over measures to reduce the federal budget deficit. But he said he was

certain that the differences would be resolved in the end.

In the strongest language of his press conference, Mr. Rubin said that the possibility that the United States might, for the first time, default on its sovereign debt was "unthinkable, and it will not happen."

He said that those in Congress who spoke of refusing to authorize necessary borrowing, and used the threat of a default as leverage on other issues, were doing the country a grave disservice.

Asked about dangers of instability amid debate over the future of European Monetary Union, he said, "It is very much in our interest that there be growth and stability in Europe." But he said that it was "really up to the Europeans to determine the pluses and minuses of an EMU."

Three Japanese banks collapsed in August. Last week, Daiwa Bank revealed losses of \$1.1 billion, which led foreign banks to charge a risk premium on loans to banks in Japan. The IMF, meanwhile, expects the Japanese economy to grow by just 0.5 percent this year before a moderate pickup to 2.2 percent growth next year.

That prediction did not take into account a record fiscal stimulus package approved in Tokyo last month. Other measures taken since the last G-7 meeting include a cut in Japanese official interest rates and a government endorsement of the possibility of using public funds to rescue weaker banks.

Daiwa Says It Hid Data on Oversight

Compiled by Our Staff From Dispatches

TOKYO — Daiwa Bank, which recently reported \$1.1 billion in losses by a trader at its New York branch, said Friday that it had initially hidden evidence of improper oversight from banking inspectors but said it later had confessed.

Daiwa's statement indicates that both the bank and banking regulators in Tokyo and New York knew that oversight controls were insufficient at the bank, and it raises questions about the bank inspection process.

The New York trader, Toshihiko Iguchi, has been arrested on charges that he falsified records to cover up the losses. He was reportedly able to conceal the trades because he was responsible for bond trading and some record keeping.

A Daiwa executive acknowledged Friday that the bank temporarily removed records of bond dealings and shifted some personnel, including Mr. Iguchi, to another office in New York.

(AP, Bloomberg)

ECONOMIC SCENE

Today's Gadgets Are Tomorrow's Gold

By Richard Covington
Special to the Herald Tribune

GENEVA — Bored with the Internet? No longer ga-ga over GSM? Then take a plunge into the optical ether, with a video-communications system that transmits images so lifelike that, as one scientist puts it, "you could fall in love with it."

Or fire up a point-and-shoot printer, activated without wire connections: You simply point your computer at the device, tap a key and your document begins printing.

Maybe you'd prefer an all-purpose personal telephone system that automatically dials your office, fax, mobile phone, electronic mail address and ski chalet trying to locate you.

If the International Telecommunications Union conference here confirms anything, it is the ineluctable ascent of mad scientists, as members of yesterday's lunatic fringe materialize as tomorrow's billionaires and potential Nobel laureates.

The wireless printer and personal-phone finder are months away, and optical-ether communications more

than 15 years distant, but these and other innovations added the technological spice and marketing hype to the gathering of 133,000 industry buyers and sellers.

In the blue-sky realm of telecommunications seers, Peter Cochrane, a research scientist at British Telecom PLC, is the undisputed leading prophet of optical ether — transmissions carried along fiber optic networks as wavelengths as wide as bits, and able to travel in-

stantaneously because the electronic switching equipment world be eliminated.

"Instead of dialing your phone number," Mr. Cochrane said, "I would dial your wavelength."

Instead of telephone handsets the system would rely on a box tuned to varying wavelengths by lasers. Voice and images would be transmitted through a videophone apparatus that might resemble a computer workstation more

than an ordinary telephone. "It would be so sensitive you could fall in love with it," he said — something virtually impossible to imagine over the jerky images of current video-conference networks.

British Telecom is running a trial of the optical-ether link with Siemens AG in Munich that involves connecting users via high-definition television and modifying the fiber-optic network to act as a signal amplifier.

In the United States, AT&T Corp., Digital Equipment Corp. and the Massachusetts Institute of Technology are collaborating on a wideband optical network for the Department of Defense.

While optical-ether communications will not hit the market until at least 2010, the personal-phone finder devised by LM Ericsson AB of Sweden is slated for release by mid-1996. The finder, dubbed UPI for Universal Personal Telecommunications, will consist of a switching unit of the size of a portable phone and software to route incoming grants.

The weaker standards render the cards "useless," complained John Taylor, chief engineer for Hewlett-Packard's British laboratories.

The system, which is undergoing a trial in Finland, enables the subscriber to change

TELECOM
95

stamously because the electronic switching equipment world be eliminated.

"Instead of dialing your phone number," Mr. Cochrane said, "I would dial your wavelength."

Instead of telephone handsets the system would rely on a box tuned to varying wavelengths by lasers. Voice and images would be transmitted through a videophone apparatus that might resemble a computer workstation more

CURRENCY & INTEREST RATES

are more dependent than Eurotunnel on duty-free sales.

"We intend to force them to earn a living either as floating shopping malls or as transportation services," he said.

The ferries have been unexpectedly tough competitors. A year ago Eurotunnel executives, as well as many analysts, had predicted that the ferry companies would begin to shift some of their ships to other routes. As it turned out, they expanded capacity on the Dover-Calais route.

With capacity now far outstripping the demand, a fierce price war continues to batter the sales of all competitors.

Sir Alastair conceded that the only thing that had staved off disaster in 1995 was Eurotunnel's suspension of its interest payments. Freed, albeit only temporarily, of those burdens, Eurotunnel executives said that the company is now generating enough cash to pay its own way.

Georges-Christian Chazot, Eurotunnel's chief executive, predicted healthy revenue gains in 1996, the first year in full operation.

While the price war has cut deeply into the money Eurotunnel generates on its traffic, the company reported that it was happy with the growth in that traffic, saying it now gets 36 percent of passenger cars and nearly 50 percent of the trucks on the Dover-Calais route.

As for the rival ferry companies, Sir Alastair predicted that Eurotunnel's slashing last week of its duty-free prices — a move quickly followed by the ferries — would drive them into the red. The ferries

are more dependent than Eurotunnel on duty-free sales.

"We intend to force them to earn a living either as floating shopping malls or as transportation services," he said.

The ferries have been unexpectedly tough competitors. A year ago Eurotunnel executives, as well as many analysts, had predicted that the ferry companies would begin to shift some of their ships to other routes. As it turned out, they expanded capacity on the Dover-Calais route.

With capacity now far outstripping the demand, a fierce price war continues to batter the sales of all competitors.

Sir Alastair conceded that the only thing that had staved off disaster in 1995 was Eurotunnel's suspension of its interest payments. Freed, albeit only temporarily, of those burdens, Eurotunnel executives said that the company is now generating enough cash to pay its own way.

Georges-Christian Chazot, Eurotunnel's chief executive, predicted healthy revenue gains in 1996, the first year in full operation.

While the price war has cut deeply into the money Eurotunnel generates on its traffic, the company reported that it was happy with the growth in that traffic, saying it now gets 36 percent of passenger cars and nearly 50 percent of the trucks on the Dover-Calais route.

As for the rival ferry companies, Sir Alastair predicted that Eurotunnel's slashing last week of its duty-free prices — a move quickly followed by the ferries — would drive them into the red. The ferries

are more dependent than Eurotunnel on duty-free sales.

"We intend to force them to earn a living either as floating shopping malls or as transportation services," he said.

The ferries have been unexpectedly tough competitors. A year ago Eurotunnel executives, as well as many analysts, had predicted that the ferry companies would begin to shift some of their ships to other routes. As it turned out, they expanded capacity on the Dover-Calais route.

With capacity now far outstripping the demand, a fierce price war continues to batter the sales of all competitors.

Sir Alastair conceded that the only thing that had staved off disaster in 1995 was Eurotunnel's suspension of its interest payments. Freed, albeit only temporarily, of those burdens, Eurotunnel executives said that the company is now generating enough cash to pay its own way.

Georges-Christian Chazot, Eurotunnel's chief executive, predicted healthy revenue gains in 1996, the first year in full operation.

While the price war has cut deeply into the money Eurotunnel generates on its traffic, the company reported that it was happy with the growth in that traffic, saying it now gets 36 percent of passenger cars and nearly 50 percent of the trucks on the Dover-Calais route.

As for the rival ferry companies, Sir Alastair predicted that Eurotunnel's slashing last week of its duty-free prices — a move quickly followed by the ferries — would drive them into the red. The ferries

are more dependent than Eurotunnel on duty-free sales.

"We intend to force them to earn a living either as floating shopping malls or as transportation services," he said.

The ferries have been unexpectedly tough competitors. A year ago Eurotunnel executives, as well as many analysts, had predicted that the ferry companies would begin to shift some of their ships to other routes. As it turned out, they expanded capacity on the Dover-Calais route.

With capacity now far outstripping the demand, a fierce price war continues to batter the sales of all competitors.

NYSE

Friday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg



Self-winding wristwatch in 18K gold with power reserve indicator, moon-phase display and date calendar. Ref. 5150.

MONTRES BREGUET SA
AVENUE GENERAL - 1009 PULLY - SWITZERLAND
TEL. 41 21 728 20 01 - FAX 41 21 728 24 84

Available at fine jewelers worldwide. For information call:
France: 33 1 42 60 09 34 • Germany: 49 211 32 04 46 • Hong Kong: 852 22 527 30 46
Italy: 39 2 728 144 02 • Japan: 81 3 5441 4562 • Singapore: 65 235 74 11 • Spain: 34 1 532 10 07
Thailand: 66 2 2 254 45 28 • United Kingdom: 44 171 416 41 60 • USA: 1 201 507 44 00

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

NYSE

12 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

13 Month
High Low Stock Div Yld PE ISS. Hgt. Low Lsthd Chg

Continued on Page 18

كتاب من الأجل

U.S. Displeased With China Trade Imbalance Reflects Piracy

Reuters

HONG KONG — The United States expects its trade deficit with China to reach \$38 billion in 1995 and \$45 billion to \$50 billion in 1996, if current trends continue, a U.S. official said Friday.

"Just to be candid, our side of the bilateral relationship is not so rosy," Lee Sands, the assistant trade representative for China and Japan, told a business seminar in Hong Kong.

"U.S. exports to China rose only 6 percent last year, despite the competitive strength of our industries. It's possible that in a few years our deficit with China will be larger than the deficit with Japan," he said.

The United States had a trade deficit of \$30 billion with China in 1994, second only to its \$66 billion deficit with Japan. It recorded a \$108 billion global deficit last year despite a 10 percent increase in global exports.

A U.S. trade official who requested anonymity said Beijing was not living up to its promise to close down producers of pirated goods, even though it was cracking down on retailers.

"The most blatant and obvious problem, and the one we are going to focus the most attention on in the short term, is the continued existence of pirated-CD [compact-disk] factories," the official said.

"To date, the Chinese have taken no serious action to correct the problem," he said, adding that six out of seven factories that were closed have since reopened.

Under the accord, Beijing had promised to crack down on pirates, improve copyright protection and open up barriers to U.S. music, movies and other intellectual property goods.

Mr. Sands said 40 percent of China's exports went to the United States, making it China's largest and most open market.

Washington has long been keeping a wary eye on its large trade deficit with China, and especially its rapid growth.

"Our trade deficit with Japan has been decreasing month by month, year by year, while our trade deficit with China accelerates," Mr. Sands said. "Right now it is growing at a 25-30 percent clip."

Mr. Sands is scheduled to visit Beijing next week and will spend two days looking at intellectual property rights, a subject over which the United States and China narrowly averted a trade war before reaching an accord earlier this year.

The liberalization of China's trade policies and the opening of its markets to U.S. exports have been a sticking point in negotiations to bring China into the global trading system.

Making Sense of Daiwa's Losses

Trader's Odd Moves Hid \$1.1 Billion Bad Bets

By Saul Hansell
New York Times Service

NEW YORK — To futures traders at Lehman Brothers, there was something about Toshihiko Iguchi — they called him "Toshi" — that did not make sense.

At the end of a hectic day, Mr. Iguchi, a bond trader at the New York branch of Daiwa Bank Ltd., would often execute a complex maneuver used mainly by specialized traders who seek to exploit small mathematical discrepancies in the market.

But these moves did not seem to fit with Mr. Iguchi's other trading. Although he certainly made large bets, he was ostensibly a straightforward short-term investor wagering interest-rate moves.

Last week, the motive for the strange trades became clear when Daiwa announced that Mr. Iguchi had racked up \$1.1 billion in losses over 11 years.

"When I saw in the paper what he did, I finally understood what happened," said a trader who had done business with Mr. Iguchi at Lehman.

The effect of those unusual trades, known as basis trades, was actually to help hide losses in the futures market, say three traders who worked at Lehman in the late 1980s and early 1990s.

In fact, Mr. Iguchi appears to have covered his tracks so well that in its initial statements, Daiwa and the U.S. Justice Department, which has brought fraud charges against Mr. Iguchi, said he had only traded Treasury bonds and had done no trading in futures or any other derivatives.

Derivatives are fast and easy ways to make big bets on financial markets and

have been involved in some of the biggest financial disasters of recent years. Futures contracts were behind the downfall of Barings PLC of Britain when a trader in its Singapore office lost \$1.3 billion trading futures on the Japanese stock market.

What's more, according to these traders, who spoke on condition of anonymity, those complex trading maneuvers by Mr. Iguchi could well explain a central mystery: how he was able to tap into the bank's long-term bond holdings, and its holdings of customers' bonds, to cover his mounting losses.

One key point is that Mr. Iguchi was in charge of bond trading and some record-keeping. That dual position, specifically criticized as unsafe by the Federal Reserve Board in 1992 and 1993, appears to have allowed him to hide even more of his trading tracks. The basic trades apparently permitted Mr. Iguchi to move the futures losses into bond accounts, which he controlled more directly, the traders said.

In its fraud charges against Mr. Iguchi, the Justice Department in New York said he had forged a statement from Bankers Trust New York Corp. showing \$4.5 billion of bonds held in Daiwa's account, when the account contained only \$3.4 billion. It is that \$1.1 billion gap that is said to represent Mr. Iguchi's trading losses.

But it is still unclear how much of Daiwa's problem came from any futures trading by Mr. Iguchi.

Daiwa, based in Osaka, has already been harshly sanctioned by federal and New York state regulators, who have virtually closed down its trading activities in New York. It faces further investigation by Japanese authorities.

Representatives of Daiwa, Lehman and the Justice Department refused to comment on any future trades by Daiwa.

The root of Daiwa's problem may lie in Japan's rush to get a financial foothold abroad. In the mid-1980s, at the peak of Japan's financial rise, Japanese banks and brokerage firms were eager to establish themselves among the leading players in New York and London financial markets.

Mr. Iguchi was one of a handful of traders who burst on New York's bond market, buying and selling in huge quantities. Even at the time, this appeared to be more bravado than skill, as most successful traders are as discreet as possible.

Still, Mr. Iguchi was one of the most active and profitable customers for Lehman's futures desk. Lehman traders said, "It was a hot, hot account and was handled with kid gloves," a trader said.

On the phone, another trader said, Mr. Iguchi was abrupt, but no more so than many others on Wall Street, which is generally not considered the politest of places. Those who met him, though, described a shy, reticent man with a slight build, who often talked about his personal problems, such as an unpleasant divorce.

What Mr. Iguchi did not talk about, though, was a disastrous accident that was a disastrous accident as a trader.

In a rambling 30-page letter that Mr. Iguchi sent to the president of Daiwa in late July admitting the losses, he blamed his worry about his trading losses for the end of his marriage, said a person who read the letter and who spoke on condition of anonymity. "He said he was ready to confess at least four times, but then he didn't," the person said.

Investor's Asia

Hong Kong		Singapore		Tokyo	
Hang Seng		Straits Times		Nikkei 225	
10000		230		20000	
9500		2200		18000	
9000		2100		16000	
8500		2000		14000	
8000	M J J A S O	1995	M J J A S O	1995	M J J A S O
7500					
7000					
6500					
6000					
5500					
5000					
4500					
4000					
3500					
3000					
2500					
2000					
1500					
1000					
500					
0					

Source: Telekurs

International Herald Tribune

Very briefly:

• Yamaichi Securities Co., one of Japan's Big Four brokerage houses, doubled its pretax profit forecast, to \$3.2 billion yen (\$52 million), for the first half of the financial year ending in March.

• The Philippines pushed back the target date for the deregulation of its oil industry to June 1997 because it expects changing the tax structure will be difficult.

• Kurrajong Corp., based in Sydney, will pay \$212 million for the right to build a cable car across the Huangpu River to Shanghai's Pudong development zone.

• Goldman, Sachs & Co., hoping to gain a foothold in Thailand, plans to form an alliance with the brokerage and research units of Phatra Thanakit PLC.

• Texas Instruments Inc.'s chairman, Jerry Junkins, said semiconductor sales in Asia this year could climb by as much as 50 percent, surpassing projected world semiconductor industry growth of more than 35 percent.

• Straits Steamship Land Ltd. said it and an Indonesian partner would spend \$60 million to build a shopping complex in the Indonesian city of Surabaya.

• Singapore Telecommunications Ltd.'s overseas investment arm will invest \$1.8 million in a joint venture to build a mobile-phone network in the region around Suzhou, China.

• Enron Corp. of the United States said Friday that it was ready for "immediate talks" with India's Maharashtra state to put an \$2.8 billion power project back on track.

• Fujitsu Ltd. of Japan and Lexmark International Inc. of the United States formed an alliance in development, manufacture and sales of printers and related products.

Bloomberg, Reuters

Taipei Apt to Ease Ban

Reuters

TAIPEI — Taiwan is ready to soften a ban on air links with mainland China to enable Air Macau to fly between Taiwan, the Portuguese colony and China, a civil-aviation official said Friday, but an official at Taiwan's Mainland Affairs Council said a final decision had not yet been made.

Currently there are no direct flights between Taiwan and China. Taipei insists that passengers flying from the island to the mainland via a third territory must change aircraft there before continuing on to China. Taiwan will waive this condition in case of Air Macau, which starts operation Nov. 9, because the airline has only two aircraft, making a change "impossible," the aviation official said.

Nissan Predicts Return to Profitability

Bloomberg Business News

TOKYO — Nissan Motor Co. said Friday that it expected to return to the black for the first time in four years.

Sales of new car models and reduced costs have led Japan's No. 2 carmaker to expect an operating profit of 5 billion yen (\$50 million) for the six months ended Sept. 30, Koichi Takagi, the company's managing director, said.

That compares with an earlier forecast of 10 billion yen loss in the first half. It is also a substantial improvement from a loss of 8.26 billion yen a year earlier.

Nissan said its current, or pretax, loss will come to 9 billion yen in the first half,

compared with the earlier loss forecast of 30 billion yen.

Net loss is expected to shrink to 13 billion yen; Nissan previously estimated a 30 billion yen loss. The revision takes into account an 18.5 billion yen one-time loss linked to payments for early retirement.

"It's a sign of real turnaround at Nissan," said Peter Boardman, analyst at UBS Securities Ltd.

After several years of declining sales in Japan, Nissan is winning back market share from competitors such as Toyota Motor Corp., the leading Japanese automaker, with a fleet of remodeled cars.

Nissan's market share rebounded to 21.7

percent in the first half of this fiscal year, from 20.9 percent a year earlier. Sales of the new Cedric/Gloria luxury-car series have been particularly strong, Mr. Takagi said.

Nissan cut costs more deeply than it originally planned after the year surged to a record against the dollar in April, he said.

The company had planned to shave its expenses by 80 billion yen in the first half, but savings came to more than 90 billion yen.

Nissan, which is working off debts from expansion in the late 1980s, is also benefiting from low interest rates in Japan. Nissan's outstanding debt stood at 940 billion yen in the first half, Mr. Takagi said.

ANNOUNCEMENTS

Attention visitors from the U.S.!



If you enjoy reading the IHT when you travel, why not get it at home?

Some-day delivery available in U.S. cities.

Call (1) 800 882 2884 (in New York call 212 752 3890)

Herald Tribune

AMERICANS

If you are living in Europe and would like to participate in the DOUG FOR YOURSELF campaign, call 212 752 3890. Include your name, address and telephone number. Post for Doug for President Committee.

FACTS free Anglo-American Council

for Doug for President Committee

Monday-Friday 8-12, 2-5 p.m.

9-11 a.m. Saturday

10-11 a.m. Sunday

11-12 a.m. Monday

12-1 p.m. Tuesday

1-2 p.m. Wednesday

2-3 p.m. Thursday

3-4 p.m. Friday

4-5 p.m. Saturday

5-6 p.m. Sunday

6-7 p.m. Monday

7-8 p.m. Tuesday

8-9 p.m. Wednesday

9-10 p.m. Thursday

10-11 p.m. Friday

11-12 p.m. Saturday

12-1 a.m. Sunday

1-2 a.m. Monday

2-3 a.m. Tuesday

3-4 a.m. Wednesday

4-5 a.m. Thursday

5-6 a.m. Friday

6-7 a.m. Saturday

7-8 a.m. Sunday

8-9 a.m. Monday

9-10 a.m. Tuesday

NASDAQ

Friday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

NYSE

Friday's 4 p.m. Close
(Continued)

هذا من الأصل

THE MONEY REPORT

FIRST COLUMN

Investing:
Rhyme
Or Reason?

MAGINE that the life of the mind is divided in half. On one side of your bifurcated world is the cool, the cerebral, the domain of reason. The second hemisphere is warm and instinctive, a land where intuition reigns. Which kingdom do stock and bond markets and financial decision-making inhabit?

If you believe that markets and investing live in the chilly climes of abstract thought, you probably haven't spent too long tracking your investments through the ups and downs of raging, irrational bull runs or the weird, depressing illogic of a bear phase. Those who believe that markets are the product of logical thought are subscribing to a myth that is central to the ever-mushrooming cult of the market.

For the simple truth is that financial markets are driven by motors from the warm side of the mind — sentiments such as fear and greed, bullish euphoria, bearish psychosis. True, the "real" world of economic data and interest rates does have an impact, but each piece of new information is assimilated through the distorting medium of collective market psychology.

If you doubt this, call a market maker and ask why a price has risen. The response is likely to be, "More buyers than sellers," or vice versa if a price has fallen.

And if you still need convincing, read Robert R. Prechter's new book, "At the Crest of the Tidal Wave." It is filled with trenchant insights into market patterns and investor psychology. He argues engagingly and entertainingly that investor behavior follows set patterns.

Mr. Prechter may not be right in predicting a bear market by year-end, but his analysis is a must for would-be investors.

M.B.

"At the Crest of the Tidal Wave," by Robert R. Prechter, Jr., is published by New Classic Library, P.O. Box 1618, Gainesville, Georgia 30503.

By Conrad de Aenlle

TRUE believers in the notion that financial markets have seasonal patterns will no doubt view the strong advance in U.S. stocks last month as the exception that proves the rule — the rule in this case being that share prices fall in September far more often than they rise.

Jeremy Siegel, a finance professor at the University of Pennsylvania's Wharton School of Business Administration, in a paper titled "September: A Month to Avoid Stocks," noted that from 1890 through 1994, the Dow Jones industrial average or its predecessor fell in 63 Septembers and rose only in 41.

The index rose during 56 percent of the months during the period of study, and in fact September was the only month with a losing record over the 104 years. It is also the only month with a negative total return.

Even when dividends were reinvested, Mr. Siegel found, the Dow stocks lost 1.2 percent of their value in September.

That doesn't seem like much, but over time the impact can be enormous. Mr. Siegel tested three strategies over the period studied, each one excluding dividend reinvestment and the effect of transaction costs.

Buying and holding the Dow stocks for 104 years would have turned \$1 into \$101. But a pathetically incompetent market timer who bought at the end of August and sold a month later every year would have seen his precious buck whittled away to less than 25 cents.

A timer astute enough to have sold at the end of each August and bought back his shares a month later would have \$410 to show for it, more than four times the gain that a straight buy-and-hold strategy would achieve.

Records for stock markets outside the United States are sketchier and shorter, but Mr. Siegel found that from 1970 through 1994, September was a losing month in all 20 markets he studied, when figured in local currencies.

In the United States, the September Effect, as Mr. Siegel has dubbed it, was more pronounced during the last two and a half decades: The Dow rose only five times in the month, although this year makes it six.

The professor's research confirms what many students of the market have long known, or at least suspected.

Investor Psychology

Page 21
Commodities cycles
The madness of crowds
Why Britain loves summer

"Generally we tend to have a less advantageous time in September, October, November," Bernadette Murphy, a technical analyst at M. Kinnane & Co. observed.

"It's a period of time in the calendar when profits seem to be taken, people are having to pay bills, professional portfolio managers are taking profits ahead of the crowd."

She noted that the fund industry has become so large that managers are starting to cash in their winning positions in the autumn so that their year-end reports will make pleasant reading for shareholders.

The flip side of the September Effect is the January Effect, the long-recognized tendency for stocks, especially small ones, to rally at the start of the year. In the 104 years that Mr. Siegel studied, the Dow rose in two-thirds of the Januaries.

"September is the month where tops are made and bear markets start, and January is the best month, followed by July and August," said Neil Leeson, an analyst at Ned Davis Research.

In a study of its own, Ned Davis looked at rolling three-month periods since 1952 and found that December through February was the best time of the year to own U.S. stocks.

JANUARY is not only the best month but crucial in determining the course of the next 11. Louise Yamada, an analyst at Smith Barney who specializes in seasonality and cycles in the market, said it is then that the tide for the entire year is often cast. "If the first five days are up, and then the rest of the month of January is up, then frequently you have an up year," she said.

Ms. Yamada credited the January Effect to the general spirit of renewal that comes with a new year.

"The slate is wiped clean," she said. "Money managers are willing to take more risks then. After tax selling is over, people tend to buy into the market to start over."

Investors think of smaller stocks as offering bigger risks, and therefore potentially bigger rewards — which may explain why such stocks tend to move up more than shares of larger companies.

But just as September was exceptionally strong, last January was not a great month for smaller stocks, although since that time stocks of just about any size have done well.

Ms. Yamada suggested that the businesses that small companies engage in have changed over the years. Many smaller enterprises either produced capital goods or depended on the fortunes of such companies, so the cycles in small companies tended to move in line with the capital-goods cycle.

Now, though, the great dichotomy is not between small and big, but between companies that do business globally versus

those that operate primarily in their home markets. Smaller companies tend to make their money in their own back yard, while the companies that populate the Dow Jones average tend to have a much broader scope.

The fact that smaller companies did not do as well as expected this January, Ms. Yamada reasoned, shows that the best business prospects are those of internationally oriented companies.

Discovering that markets follow certain seasonal patterns may actually make it more difficult for investors to make money in them.

Seasonal movements "are not predictable, but they do happen," Ms. Murphy said. Her statement reflects the fact that

markets often behave illogically once their internal logic has been figured out.

"Once you think something is predictable and can be anticipated, the market will prove you wrong. It will eventually be discounted," she said. "If investors become enamored of a theory that the market will go down in September, they'll sell in August."

Ms. Murphy added that investors were "always trying to anticipate change, so they will move either ahead or after the move" in the markets. "I'm not sure that people recognize [the September Effect] to the extent they should," she said, "but once everybody becomes aware of it, it will be less effective."

So pretend you didn't read this.

You, Too, Can Be a Technical Analyst

By Aline Sullivan

can read a balance sheet, most individual investors can understand a chart.

John Brookes, head of investment consultants Nodley Information Service in Atlanta and chairman of the New York-based International Federation of Technical Analysts, or IFTA, agreed that private investors with access to a personal computer and the right programs could participate in global markets as effectively as their professional counterparts.

"I do the same thing as everyone else," he said. "I run all the world markets through my computer and find out which I want to be in. Then I look at all the sectors in that market and then at the stocks. Then I check out the fundamentals to make sure I am not walking into a swinging door."

Keeping an eye on both the technical and fundamental viewpoints is key, investors from both camps said. Anne Whiting, head of technical analysis at London consulting group 4CAST Ltd. and chairman of Britain's Society of Technical Analysts, the British member of IFTA, believes that advocates of the two approaches respect each other more than they use to.

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

Indeed, some analysts say the distinctions between the two are starting to blur.

Fundamentalists, who argue that an astute stock-picker should be able to identify anomalies in investor behavior that can

leave stocks over- or undervalued, acknowledge that a computer can help predict that behavior.

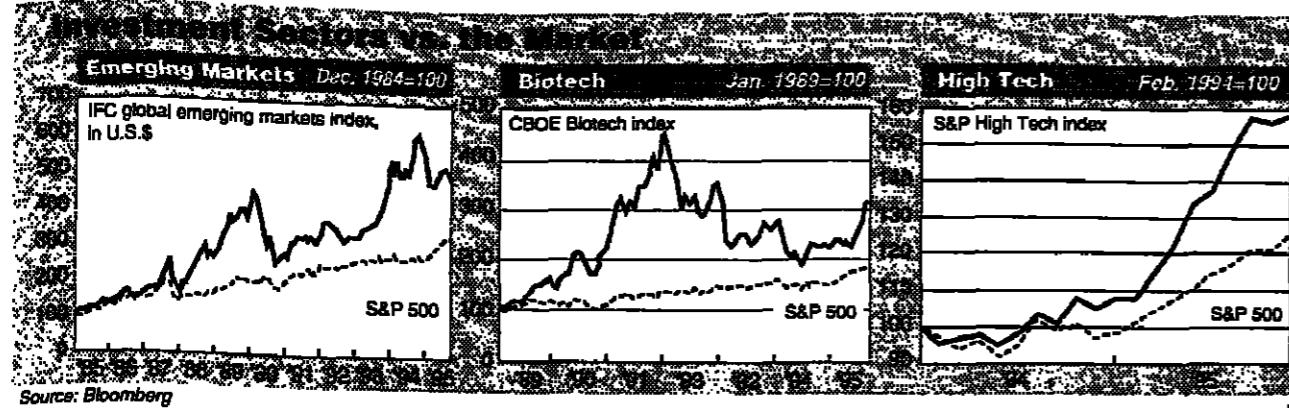
At the same time, technical analysts are abandoning many of the flashy mathematical tools that used to intimidate investors with less esoteric interests and are returning to more traditional, less complicated analysis that usually includes some fundamental considerations.

"Investors need to look at both types of analysis, but they get much of what they need on the fundamental side from reading newspapers and magazines," Mr. Brookes said. "After that they want to use a technical approach to get the timing right. And that works because the chart is the final indication of where the investing public wants to be."

Timing may be the greatest advantage of chart-watching, but it could also prove its undoing. Professional investors point out that the popularity of technical analysis has risen in line with the bull market and that most of the computer programs currently available were designed to help investors maximize their returns in a rising market.

These programs, they warn, could turn into big liabilities if the markets sour. However, Mr. Brookes said, "A good investor will know when it is time to get off the horse."

THE MONEY REPORT



Bubbles, Manias and the Herd Instinct

By Iain Jenkins

SEVEN people are sitting patiently in a doctor's office when an eighth person walks in. Without warning the seven early arrivals start to take off their clothes.

What does the eighth person do? The answer, shown in university research papers, is that after a moment's hesitation the eighth person will also probably undress.

Psychologists believe that this behavior gives an insight into the way financial markets work. When people see others buying a stock or mutual fund, they follow suit. The result is what is known as a bubble, which many people believe may be happening in U.S. technology stocks today.

Understanding the psychological factors behind bubbles, or market manias, is increasingly seen as a respectable way of working out an investment strategy. It is used by George Soros, the dean of hedge-fund managers. And it may be more useful than reading stock brokerage research, relying on charts, reading company reports or turning to astrology.

Bubbles are a key feature of financial markets. One took place in Japanese stocks in the late 1980s, another in biotechnology in 1990 and 1991, and yet another in emerging markets from 1993 to 1994. Investors who spot them early can make a fortune. Those who get in too late lose money because all of these tend to burst.

Tony Fraher, chief executive of Singer & Friedlander investment management in London, says: "When people see prices starting to move, they think, 'I can get rich quickly here, too.' And they can — providing they are nimble and get out before it crashes. Unfortunately, most people wait too long. Greed takes over."

Sectors suddenly become fashionable because they are in a new area with the prospects of rapid development.

The cycle goes like this: Small volumes of initial business are usually enough to send the market racing upwards. Other investors, seeing the profits and fearing that they are missing out, join the stampede. Then comes the crash.

Understanding why people flock to certain sectors can be a good way to work out an investment strategy.

ignored as the "herd instinct" takes over. People buy not because cash flow is good, or the debt-to-equity ratio is healthy, but because everyone else is buying.

"Once someone buys something, other people don't observe the information that persuaded the first person to buy. All they see is the action and they follow the action," Mr. Welch says.

He cites the example of an investor who doesn't like IBM stock. However, three friends have just bought IBM. The investor now has three positive pieces of information — the fact that his friends have bought for some reason — and one negative piece of information, his dislike of IBM. So what does the investor do? According to Mr. Welch, he probably buys.

Scientists have found evidence of the same behavior in the animal world.

Studies on guppies illustrate that when one female guppy shows a sexual interest in a male, her attention attracts other female guppies. The result is that male guppies either get a lot of attention from females or none at all.

Biotechnology was the equivalent of a successful male guppy in 1990 and 1991, when it was a boom sector. Investors piled

in without much research. Then within a few weeks in early January 1992, biotechnology was transformed into the unsuccessful male guppy. It halved in value, and no investor worth his calculator would touch a biotech company.

Today biotechnology is back in fashion. Steven Bunting, director of Abingworth, a London firm that runs biotech funds, says: "There is no secret to making money in this area. All you have to do is buy when it is out of fashion and sell before the inevitable overshoot."

The key, then, appears to be spotting the moment when the rave sector is about to crash — in other words, market timing, one of the most delicate of investing strategies.

Robert Schiller, a professor at Yale University in New Haven, Connecticut, theorizes that the more a trend continues, the more people seem to expect it to continue. He suggests that a feeling of confidence that a trend is likely to continue may be a warning sign.

Mr. Schiller has been studying institutional expectations of a market crash since 1989 in the United States and Japan.

"Our survey showed that at the end of 1989 investors thought that there was only a 14 percent chance of a crash, the lowest the figure has ever reached. In fact, the crash was just round the corner," he says.

So what is the next thing that is just around the corner?

Mr. Faber thinks it could be the crash of the emerging-market boom that began two years ago. As evidence, he cites Russia, a sector full of risks where shares are a bargain but buyers are few. "Everyone knows that Russian assets are cheap," he says. "So why haven't they moved?"

As with any boom, Mr. Faber says, investors will quickly lose their taste for emerging markets once one of those markets goes sour. "Like the boom in new issues, where all of them are successful except the last two or three," he says.

In the end, however, Mr. Faber, who has been following market bubbles and manias for years, strikes the ultimate contrarian note. The fact that everyone is looking for the next mania, he says, might mean that it won't happen at all.

Fear and Loathing in Commodities

By Conrad de Aenle

EVERY year, the same drama is staged, re-enacting the same cast of farmers and commodity speculators. And almost every year the players follow the same script: First they avidly buy corn and soybeans, and sometimes coffee, cotton and wheat. Then they sell, with the same fury, and then buy again, although less intensely.

Mother Nature may not be very predictable, but human nature doesn't change. Together, these two elements determine the prices of agricultural products, and students of the markets believe that the patterns produced are similar enough year after year that they allow profitable trades to be made consistently, in spite of — in fact, because of — the volatility.

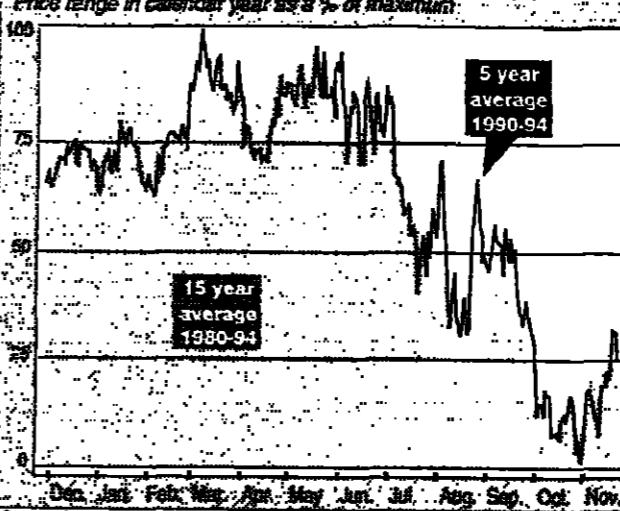
"There's always some fear" attached to commodities, observes Nick Colley, director of research for Moore Research Center, a commodities research and trading firm.

"It just seems that year after year after year, there is some nervousness that hits the markets in March, lasting often until June," says Bob Hafer, research director at the Commodity Research Bureau.

In corn and soybeans, for instance, the fear usually is that the weather is too cold and wet during planting, then during the growing season the emphasis

The Soybean Price Cycle

Price range in calendar year as a % of maximum



traded, tend to rise late in the year on uncertainty over how the winter calving season will turn out.

What is unusual about the seasonal patterns in these markets is that they happen even when many people expect them to — which, of course, is not the way markets are supposed to work.

Mr. Colley attributes the phenomenon, in part, to the particular demands of farm life. "When prices are going up, farmers are busy as hell" with planting and harvesting, he explains. "They don't have time to come in and play these markets." As a result, he says, more than 50 percent of farmers end up selling their crops at below the annual average price.

Commodities speculators generally do not have fields to plow or harvests to gather in, so they may be able to benefit more easily from seasonal patterns. But it is not as easy as it may seem at first.

"By and large, seasonal patterns in some commodities are strong and some are weak," says Walter Spilka, a commodity analyst at Smith Barney. "It depends how you measure it in the first place. Some are reliable and some aren't."

Other farm products have similar cycles, but at different times of year. Cotton, for instance, tends to make a low in July or August, then a second low in the last quarter of the year. Likewise, cattle prices, on which futures contracts are also

the reality that the weather wasn't as bad as they had thought," Mr. Colley explains.

"The reality of the actual amount of product that is going to be harvested begins to make price fall."

Once the crop has been in the ground for a while, however, the prevailing belief changes: This year's output may be adequate, or even bountiful.

"All those fears begin to be put to rest and they get back to

BRIEFCASE

IRS Cuts Down On Paper Chase

The U.S. Internal Revenue Service rarely makes life simpler for taxpayers, but effective last year, Oct. 1, it has come up with a big break.

If the amount is under \$75, U.S. taxpayers will no longer have to keep track of all those receipts for expenses on business travel, entertaining clients, or purchasing corporate gifts.

Until now, anything over \$25 had to be documented. Tax experts estimate that some two-thirds of business travel expenses are less than \$75.

But even if you're off the hook with the IRS, check with your company before you toss those receipts in the wastepaper basket. Some employers plan to continue their current policies of requiring receipts for all but the smallest amounts — just so they can keep tabs on employee spending.

At a hefty \$5.35 a gallon on average, Japan is the most costly place to gas up, according to the 12-country survey. Italy is the priciest in western Europe, socking drivers an average \$4.23 a gallon, but not far behind is France at \$4.19 and Germany at \$4.04. Drivers in Britain get off easy by comparison, at \$3.38 a gallon.

But if you think there's no place like the U.S.A. for cheap

gas — currently about \$1.44 a gallon, according to Windham — think again. Thailand comes in at \$1.40, which is cold comfort if you're stuck in one of Bangkok's notorious traffic jams.

And for rock-bottom prices, you'll have to do your driving in Saudi Arabia — at 35 cents a gallon.

The Money Report is edited by Martin Baker

Why Summer Is Good for U.K. Stocks

By Barbara Wall

A N English adage warns investors to "sell in May, don't come back till St. Ledger's Day" — which, in the English horse racing calendar, falls in September.

Summer is supposed to be a dreary time for stocks. However, historical data paint an altogether different picture of stock market price trends during that period.

David Schwartz, statistician and author of the Schwartz Stock Market Handbook, argues that if investors followed the St. Ledger adage they would miss out on August, one of the best months for the U.K. stock market.

He notes that between 1919 and 1994, August prices on the Financial Times 30 index rose 64 percent of the time, adding that prices were especially likely to climb if shares had been rising strongly in the 12 previous months.

The August price trend may also provide insight into where prices are heading in the five months to follow. According to Mr. Schwartz's research, an August price rise of 3.57 percent to 10.44 percent is a clear signal that prices will rise even higher through the end of January.

"Out of 24 times with a price shift within this range, prices rose in the next five months 23 times," he said. "The single exception was 1929."

There seems to be no clear explanation as to why August is a good month to invest in U.K. stocks.

"There may be less bad news hitting the market at these times and consequently less pressure to sell with more of a bias on

buying," suggests Mr. Schwartz. "As trading volumes are generally down in the summer months, it takes less money to move the market. These factors combined could drive up share prices."

Brian O'Neill, an international fund manager with Gartmore Investments in Britain, believes that a new trading pattern has emerged which has influenced market activity.

"There are two main peak periods for investing: the end of the year and the end of the first quarter," he said. "In the past couple of decades, investors have begun to recognize a third period: the late summer rally. It could be that some investors are buying into the market early so as not to miss this."

While number crunching and graph plotting is an interesting and often illuminating academic exercise, few equity strategists set much store by historical price anomalies.

"The problem is that the trends work in some years and not in others," Paul Walton, an equities strategist with Goldman, Sachs & Co., said.

"May has a reputation for being a terrible month to invest. But if investors decided to follow historical price patterns and sell their U.K. shares at the beginning of May 1995, they

would have been very disappointed as the market moved up several percentage points during that month."

Pat Rozan, a strategist with Salomon Brothers in Britain, believes it is more instructive to analyze why one equity class is more likely to outperform another equity class at a given point in the economic cycle, rather than concentrating on seasonal trends.

This involves looking at the effects of interest-rate movements, valuations and economic growth patterns on the three main equity classes: cyclical, defensive stocks and financials.

There are some stocks that are considered more likely than others to outperform or underperform according to the season. For instance, Mr. O'Neill said, "It is natural to assume that certain consumption stocks such as brewers and ice cream manufacturers should do well during a long hot summer."

He added, however, that investors need to look at the bigger picture: "If the stock is fairly priced and the good news has already been included in the valuation, the share price may not be that heavily influenced by favorable weather conditions. If, on the other hand, the

AGENTS WANTED

The SCF Group, (see Main advertisement), one of the world's largest offshore company and trust firms, requires new agents.

Excellent returns. Full training given to successful applicants.

For more information send a written request to, Mrs. Anna Osborne on fax no.: +44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

+44 171 352 2260

SPORTS

Unlucky Packers: After Loss to Redskins, Cowboys Are Not Amused*New York Times Service*

PACKERS (3-1) at **COWBOYS** (4-1): Key stats: Packers quarterback Brett Favre is completing 68.9 percent of his passes on third down and is averaging 9.93 yards per attempt. Of the 10 touchdowns the Cowboys' defense has given up, nine have been on passes.

Comment: Last year, the Cowboys used a third string quarterback to defeat Green Bay in a shootout. Dallas will go with Wade Wilson this time because Troy Aikman is doubtful with a strained calf muscle. The Cowboys are coming off a loss at Washington. Oddsmakers favor the Cowboys by 7 points.

JETS (1-4) at **BILLS** (3-1): Key stats: The Buffalo defense has allowed just three touchdowns in the 13 trips by opponents inside its 20-yard line. Jets' defense has 18 sacks, the most in the AFC.

Comment: The Bills wanted to make a point about rumors of their demise. They did it Monday night with a last-second victory over Cleveland. The Jets are in the same position in this game. Bills by 9.

PANTHERS (0-4) at **BEARS** (2-2): Key stats: The Panthers have not allowed a 100-yard rusher or a 300-yard passer this season. Bears quarterback Erik Kramer has thrown 92 passes without an interception.

Comment: Kerry Collins, the Panthers' rookie quarterback, made his first start last week and didn't do badly. He threw a touchdown and an interception in a loss to Tampa Bay. The Bears' pass rush might be a little bit more tenacious than the Bucs', and Collins might be in for rougher treatment. Jim

Flanigan has 4.5 sacks and Alonzo Spellman has 3.5. It's the kind of pressure that can rattle a young quarterback into many mistakes — enough errors to pave the way for a Bears victory. Bears by 13.

BENGALS (2-3) at **BUCCANEERS** (3-2): Key stats: Of the 34 receptions by Bengals' Carl Pickens, 12 have come on third down (plus for an average 12.4 yards per catch). Tampa Bay's Eric Rutherford has rushed for a touchdown in 11 of his last 13 games.

Comment: Sam Wyche will coach against his former team for the first time since he was fired in 1991. It might not be a very pleasant experience. Jeff Blake signed a new multi-million contract this week, and he'll be feeling fine for this game. Bucs by 3.

PACKERS (3-1) at **COWBOYS** (4-1): Key stats: Packers quarterback Brett Favre is completing 68.9 percent of his passes on third down and is averaging 9.93 yards per attempt. Of the 10 touchdowns the Cowboys' defense has given up, nine have been on passes.

Comment: Last year, the Cowboys used a third string quarterback to defeat Green Bay in a shootout. Dallas will go with Wade Wilson this time because Troy Aikman is doubtful with a strained calf muscle. The Cowboys are coming off a loss at Washington. They're not in a good mood. Cowboys by 7.

OILERS (2-3) at **VIKINGS** (2-2): Key stats: The Oilers are holding opponents to 30.9 percent of third-down conversions. No. 3 in the AFC. Seven different Viking defenders have at least one interception.

Comment: The Oilers' offense is slowly coming around on the strength of a couple of good per-

formances by quarterback Chris Chandler. But the defense has been doing the bulk of the work. Last week it came up with three sacks and three takeaways against Jaguars. The Vikings aren't pushovers, particularly on defense. Vikings by 10%.

STEELERS (3-2) at **JAGUARS** (1-4): Key stats: The Steelers have thrown 14 interceptions, most in the NFL. The Jaguars' offensive line has given up 25 sacks, an average of five per game.

Comment: The Jaguars are coming off their first franchise victory. The Steelers are riding high themselves, after taking San Diego apart last week.

NFL MATCHUPS

Quarterback Neil O'Donnell went back to work this week, after missing the last four games with a broken pinky finger on his right hand. Steelers by 11.

REDSKINS (2-3) at **EAGLES** (2-3): Key stats: Washington's Terry Allen is the second-leading rusher in the NFC with 461 yards on 108 carries. Philadelphia's Kelvin Martin's average of 14.1 yards per punt return leads the NFC.

Comment: Neither team has the quarterback with which it started the season. But it looks as if the backups are doing just fine. Gus Frerotte has been wonderful for the Redskins, and Rodney Peete seems to have a good grasp of the Eagles' new offense. Eagles by 3.

CARDINALS (1-4) at **GIANTS** (1-4): Key stats: The Cardinals' defense is giving up 5.7 yards per carry (5.42 on first down). The average drive for

Giants' opponents starts at the 31-yard line.

Comment: The Giants will have to go without running back Rodney Hampton, who has a broken hand. Rookie Tyrone Wheatley will get his first start. The Giants have won 10 of the last 11 games at Giants Stadium against the Cards. Giants by 4.

BROWNS (3-2) at **LIONS** (1-3): Key stats: Only two of Cleveland quarterback Vinny Testaverde's 12 touchdown passes have come in the fourth quarter. Detroit running back Barry Sanders is averaging just 78.5 yards per game.

Comment: The Browns are coming off a stinging loss to Buffalo on Monday night, and the Lions are coming off a bye week and a thrilling victory over San Francisco. Browns by 3.

COLTS (2-2) at **DOLPHINS** (4-0): Key stats: The Colts' last six games have been decided by six or fewer points, and they're 4-2 in those games. The Dolphins' defense is holding opponents to 85 yards rushing a game. No. 2 in the AFC.

Comment: Marshall Faulk broke out of a slump last week with 177 yards rushing against the Rams, while the Colts' defense completely shut off St. Louis' rushing attack, limiting them to 37 yards. Faulk won't be able to run free against the Dolphins the way he did against the Rams. The Colts should be concerned with Dan Marino, who threw for 450 yards last week. Dolphins by 10.

SEAHAWKS (2-2) at **RAIDERS** (4-1): Key stats: The Raiders lead the NFL in points scored with 149 and have scored 40 or more points in two straight games.

Comment: Raiders quarterback Jeff Hostetler is guiding one of the league's most effective offenses, in terms of scoring inside the opponent's 20-yard line. On the 20 trips inside the red zone, the Raiders have scored 13 TDs and seven field goals. Those numbers match what the Cowboys are doing, and they're considered a Super Bowl contender. Raiders by 9%.

BRONCOS (2-3) at **PATRIOTS** (1-3): Key stats: Denver quarterback John Elway is 6-0 versus New England in his 13-year career. New England quarterback Drew Bledsoe has attempted 149 passes but has not thrown a touchdown pass.

Comment: The Patriots are in a serious nosedive. If they don't pull up soon, their season will be in shambles. Bledsoe could come back this week from a shoulder injury. Three of Denver's starting linebackers are out with injuries. Patriots by 2.

CHARGERS (3-2) at **CHIEFS** (4-1): Key stats: Chargers' defense has not allowed a 100-yard rusher in 35 straight games (including playoffs). The Chiefs' average drive starts at their 31, best in the AFC.

Comment: Winner gets to stay close to Oakland. Loser comes back later in the season to haunt everyone else in the AFC West. Both these teams have capable offenses and solid defenses, although the Chargers' defense was stung by the Steelers last week. The difference might come in the big-play department. Chiefs quarterback Steve Bono has 32 edge in that department. Chiefs by 3%.

These National Football League matchups were written by Timothy W. Smith of The New York Times. Odds were provided by Harrah's.

SIDELINES

Ex-East Star Is Top German Player

HENNEF, Germany (Reuters) — Matthias Sammer, whose soccer career nearly ended when he was caught drinking with a Western coach in former East Germany, beat World Cup star Jürgen Klinsmann to the most prestigious award in the German game on Friday.

The Borussia Dortmund and national team sweeper, who got into trouble with Communist GDR authorities after taking a beer with a Bundesliga trainer, was named German player of the year after a close poll with the Bayern Munich striker.

Sammer, 28, became the first former East German player to win the title, which is decided by a poll of German sports journalists, since the fall of the Berlin Wall in 1989.

Claydon Leads German Golf by One

MOTZEN, Germany (Combined Dispatches) — Russell Claydon of England shot a course record 11-under-par 61 and took a one-stroke lead Friday after the second round of the German Masters golf tournament.

Claydon also was the first person to tee off, taking advantage of unimpeded fairways and windless weather to finish with a two-day total of 17-under 127. Sweden's Anders Forsbrand shot an 8-under 64 to put him one stroke ahead of compatriot Per-Ulrik Johansson, whose 66 left him at 14-under 130. Another Swede, Fredrik Lindgren, followed at 131.

• Carl Paulson, 24, a PGA Tour rookie, shot a 10-under-par 62 to take a two-stroke lead in the Walt Disney World golf tournament in Lake Buena Vista, Florida.

(AP, Reuters)

Australian Rugby Coach Is Fired

SYDNEY (AP) — Bob Dwyer was fired Friday after coaching the Australian rugby union team for the past eight years and was replaced by Greg Smith, coach of the New South Wales team.

Smith beat Dwyer, who led the Wallabies to the World Cup title in 1991, Queensland coach John Connolly and Gordon club coach Chris Hawkins in a secret ballot for the coaching position. Smith was elected by 14 delegates of the Australian Rugby Football Union. He will step down as coach of the powerful New South Wales team, with Hawkins favored to take over that role.

Smith, 45, has coached New South Wales for the last three seasons and has a 20-9-1 record. Dwyer was Wallaby coach for a one of 10 seasons — from 1982-83 and again from 1988 — but lost the job after Australia failed to progress past the quarterfinals of this year's World Cup in South Africa.

* Australia is the odds-on favorite to win the Rugby League World Cup, which begins Saturday, with the Kangaroos given the nod to beat England in the opening game at Wembley Stadium. Australia is rated 1 to 3 to win the World Cup, with England rated at 10 to 3 by the London bookmakers Ladbrokes. New Zealand is listed at 5 to 1, followed by Wales at 25 to 1 and Western Samoa at 40 to 1.



Scottie Pippen, left, and Michael Jordan said they welcomed "Bad Boy" Dennis Rodman's on-court abilities.

2 Bulls' Muted Welcome for Rodman

The Associated Press

CHICAGO — Michael Jordan refuses to think of Dennis Rodman as a funky-haired, tattooed time bomb. Scottie Pippen's not as sure.

The Chicago Bulls' two most important players officially welcomed their new teammate Thursday — Jordan with open arms, Pippen with crossed fingers.

"Everybody's condemning this man before he even steps onto the court," Jordan said of Rodman, who spent most of the last two seasons getting into off-the-court trouble and pulling on-the-court antics with the San Antonio Spurs.

"I believe in giving the guy an opportunity to prove himself," Jordan said. "Maybe he's a changed guy. Maybe he understands things better than you think he does. I'm going into this situation with an open mind and not looking for a time bomb."

Rodman's endorsement — sought by General Manager Jerry Krause and Coach Phil Jackson — was less enthusiastic. "When I was asked about it, I said, 'If he's willing and ready to play, it'd be great. But if he's going to be a negative to us, then I don't think we need that because we would be taking a big step backward,'" Pippen said. "I think we

went out and got a good player. Hopefully, we can stay together as a team."

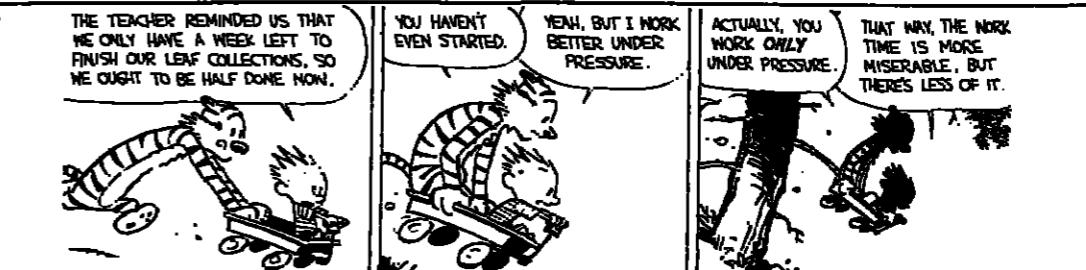
Pippen's memory of Rodman's style is clear. Pippen still has a scar on his chin, the result of a vicious shove in the back from Rodman — then the baddies of the Detroit Pistons' infamous Bad Boys — in the 1991 playoffs.

"I've pretty much put it all behind me, and I realize that we're now teammates," Pippen said, unconvinced.

Has he had any meaningful conversations with Rodman since?

"No," Pippen replied. "and I probably never will."

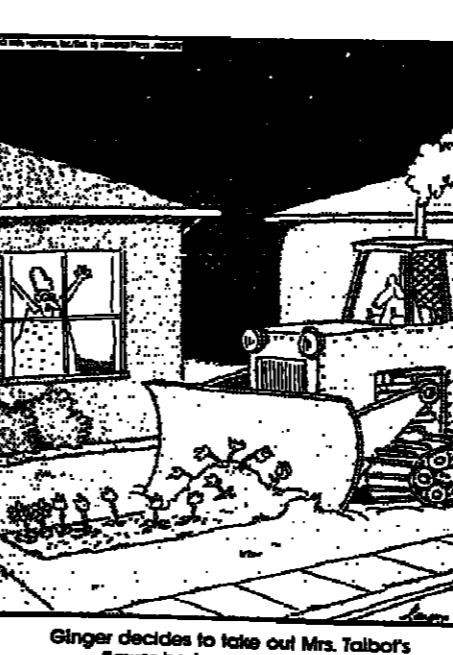
CALVIN AND HOBBES



WIZARD OF ID



THE FAR SIDE



SCOREBOARD

BASEBALL

Japanese Leagues

Central League

	T	Pct	GB
Yokohama	81	.47	0
Hiroshima	72	.55	1.5
Yokohama	72	.55	1.5
Chunichi	64	.52	3.0
Hornets	45	.32	3.5

Fridays Results

Pacific League

Pac. League

Nippon Ham

Seibu

Kintetsu

x-Cinched Kintetsu

Pringles Result

Seibu & Kintetsu 0

SOCIETY

SPANISH FIRST DIVISION

Atletico de Madrid 2, Espanyol 1

Sporting Gijon 1, Valencia 1

Athletic Bilbao 1, Deportivo La Coruna 0

Villarreal 2, Zaragoza 1

Real Sociedad 1, Osasuna 0

Celta 1, Racing Santander 0

Valencia 2, Salamanca 0

DUTCH FIRST DIVISION

Feyenoord Rotterdam 4, Groningen 1

Willem II 1, FC Twente 1

RKC Waalwijk 1, Heerenveen 1

Breda 2, Twente Enschede 9; De Graafschap 7, FC Twente 6; NEC Nijmegen 7, De Graafschap 6; Roda JC Kerkrade, Vitesse Arnhem, Utrecht and Fortuna Sittard, B; NEC Nijmegen 7, De Graafschap 6; Dordrecht, Go Ahead Eagles Venlo and Volendam 5.

TENNIS

SALEM OPEN

In Kuala Lumpur, Malaysia

Patrick McEnroe, U.S., def. Renzo Furlan, Italy

Pete Sampras, U.S., def. Paul Haarhuis, Netherlands

Marco Ricci, Italy, def. Jacek Ellington, Netherlands

Richard Krajicek, Netherlands, def. Jacek Ellington, Netherlands



Graf Faces Questions On Taxes

The Associated Press

FRANKFURT — The German tennis star Steffi Graf, who is under investigation for tax evasion, has been questioned by the state prosecutor's office for eight hours.

It was the first time that Graf has been questioned in the case since her father and manager, Peter Graf, was arrested in August for allegedly failing to report an estimated \$35.2 million of his daughter's earnings.

A state prosecutor, Peter Wachsmuth, said Steffi Graf had been questioned on Thursday in Mannheim and had been accompanied by her Berlin-based lawyer, Peter Danckert.

He confirmed on Friday, however, that prosecutors still saw no reason to issue a warrant for the arrest of the world's No. 1 woman's player.

He said he expected the investigation to last at least until the end of the year.

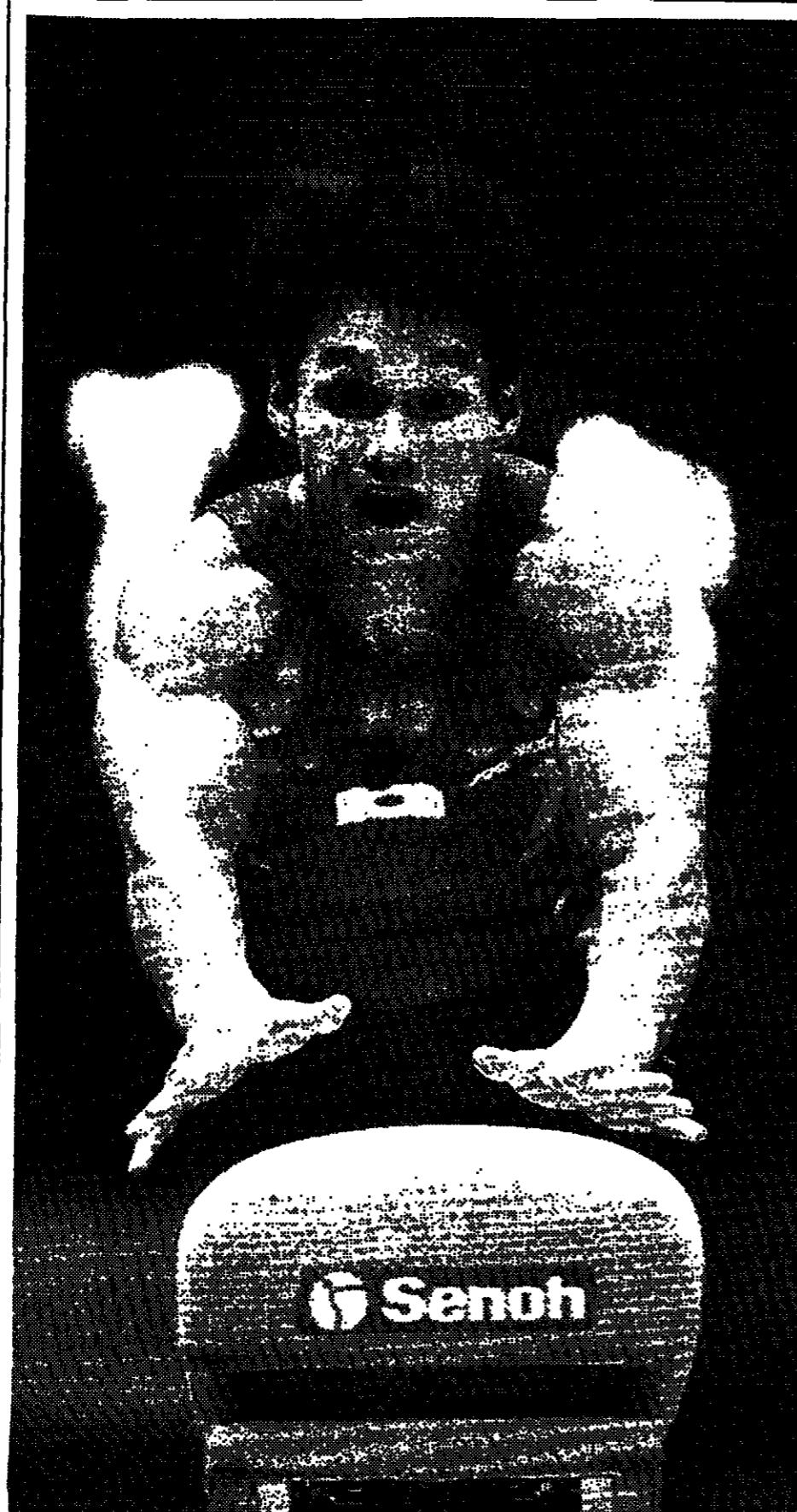
The Hamburg-based weekly magazine *Stern* said in its Thursday editions that new evidence had been uncovered that showed that the Grabs had been allowed to write off \$700,000 in legal and other advisory fees after an affair. Peter Graf had with a photo model became public in 1992.

An attorney for Steffi Graf, Harald Schaumburg, recommended that his client write off the costs, which were incurred trying to save her reputation in the scandal, the magazine reported.

The magazine said the information was contained in records at the Baden-Württemberg state tax offices in Stuttgart, near Graf's hometown of Brühl, where discussions over the deduction with tax officials were held in 1993.

Peter Graf remains in jail after a court last month refused his appeal to be released on bail. His attorney had offered to post \$10.3 million in bail.

Meanwhile, opposition members of the Baden-Württemberg state parliament have called for an investigative committee to examine allegations that the state's finance minister and tax authorities gave the Grabs preferential treatment because of Steffi Graf's status as an international tennis superstar.



Herald Tribune INTERNATIONAL SPORTS

SATURDAY-SUNDAY, OCTOBER 7-8, 1995



PAGE 23

Who's Down and Out in Playoffs?

Shell-Shocked Mariners Hope Yankees Cool Off

Win or Lose, 2 Managers May Soon Be Out of Jobs

By William Gildea

Washington Post Service

NEW YORK — "We're down but not out, down but not out," said Manager Lou Piniella, acting calmly as he tried to keep his Seattle Mariners' ship afloat. Hurricane Opal may be the better-known storm, but the Mariners have been rocked by fury of a different sort in the Bronx: team overwhelming everything in its path.

The New York Yankees have won 13 of their last 14 games, most importantly their last two to gain a commanding lead in their best-of-five first-round playoff series with the Mariners.

In a crucial, tense Game 2 that could have gone either way several times, the Yankees prevailed, 7-5, in the longest American League playoff game — both in time and innings.

It took 5 hours 13 minutes and 15 innings before Jim Leyritz separated the teams with a two-run homer off Tim Belcher.

Ken Griffey Jr. had hit his third home run of the series to give the Mariners a 5-4 lead in the 12th, but that apparent game-winner failed to stand up when Ruben Sierra tied the score with a two-out double on which the potential winning run was thrown out at home.

"It's the most exciting game I've played in," said Leyritz, who gained revenge after being hit in the face by the Mariners' Randy Johnson on May 31 and being hit by reliever Bill Risi in the sixth inning, one batter after Sierra and Don Mattingly hit back-to-back homers. Leyritz appeared happy and tired rather than angry at the Mariners.

"It was a great baseball game," said Piniella. "You've got to give the Yankees credit."

But the Mariners were not ready to concede the series.

"We'll be home on Friday," said Griffey, who could take no joy from his AL playoff-record-tieing three home runs. Kingdome fans will be roaring just as Yankees fans did for two games — although they're not expected to be as unruly as the Yankee Stadium faithful in the Bronx, who threw debris on the field at the Mariners and periodically ran onto the field to celebrate.

"Our fans have been great, especially of late," said Seattle's Tim Martinez. In the friendly, but often maligned

confines of the Kingdome this season, the Mariners beat the Yankees in six of seven games.

Piniella confirmed that the left-handed, flame-throwing Johnson would be on the mound for Game 3. It will be the second time this week he's pitched on three days' rest, having overwhelmed California on Monday in their AL West playoff game. As Piniella said: "People say the distance between the mound and the plate is closer at the Kingdome, and that the place is dark. It seems that way when you're batting against Randy Johnson."

Finally, the Mariners know something about comebacks. A season-high 13 games back on Aug. 2, they staged the third-best comeback in major league history and the biggest in 17 years. Piniella and the 1978 Yankees were 14 games behind Boston on July 19, and the 1951 New York Giants were 13 1/2 games behind Brooklyn on Aug. 11.

Johnson and the Seattle fans — especially Johnson — make the Mariners a favorite at least to keep the series going another game.

Jack McDowell will pitch for the Yankees for the first time in two weeks after hurting his back. Yankees Manager Buck Showalter professed not to be concerned. "Jack is chomping at the bit to get out there," he said.

Piniella had hoped to win Game 2, use Belcher as his Game 3 starter and win that and have a more rested Johnson close out the Yankees in Game 4. His plans didn't work out against a team that's hot, gritty and riding along on a lot of emotion.

For two nights the wild-card Yankees have resembled the great Yankees teams of October past.

The club has stirred emotions, trotting out Joe DiMaggio and Phil Rizzuto to throw out ceremonial first pitches and keeping the outfiel video board rolling with action scenes of the likes of Mickey Mantle, Reggie Jackson and Thurman Munson.

"It's New York — playoff baseball in New York," the Mariners' Martinez said, with due respect. "I've never seen anything like it."

Leyritz' homer recalled another fabled playoff in New York history. From the reception he got at home plate, you would have thought he was Bobby Thomson.

"I wouldn't look good chewing tobacco in the front office, anyway," Johnson said.

By Tom Friend

New York Times Service

LOS ANGELES — A cigar was lit, a beer was half full, and a playoff series was two-thirds of the way down his pocket. Davey Johnson would prefer a World Series on his way out the door.

Across the corridor, a stove was lit, a plate of veal was half-eaten and a playoff series was two-thirds of the way down the drain. Tommy Lasorda would prefer a World Series on his way out the door.

So, there could be a loser and a loser in this Reds-Dodgers divisional playoff series. Johnson's owner will dismiss him and Lasorda's owner might replace him — no matter what happens this weekend.

"That's life," said Johnson, the Cincinnati manager.

His Reds won by a mile in Game 1 and by an error in Game 2. Now they will play host to every remaining inning of this three-of-five-game divisional series. Johnson deserves credit for reawakening the bats of Regg Sanders and Ron Gant and for reworking a paltry bullpen. But his owner, Marge Schott, has already handpicked his successor.

Ray Knight, the affable former broadcaster who is friendly with Schott's pet St. Bernard, will seize Johnson's desk over the winter in what would appear to be an unnecessary transition.

Johnson's only egregious act, according to Reds employees, was his decision to live with his girlfriend last year out of wedlock. He has since married her, but the conservative Schott had already branded him as an outgoing manager.

"They told me I wasn't coming back," Johnson said late Wednesday night. "In January, it was put very plain to me. But I didn't want everyone to get the idea I was some evil source. So, I told the G.M., 'Please get me another job in the organization so no one thinks I'm totally brutal.' Just a job I can do from Florida so everyone wouldn't think even though I won my division the last two years I'm not some Darth Vader."

So, Reds General Manager Jim Bowden, for appearances, convinced Schott to slip Johnson into an irrelevant front-of-office job — although other clubs likely will be lining up at his condominium to hire him as a manager first.

"If he wants me back, I would be more than honored. If he doesn't, I'll say, 'Thanks for the memories,'" Johnson said.

Lasorda is 68, cameras have caught him napping in the dugout twice this season, and owner Peter O'Malley has yet to draw up a new contract for him.

What is more, his daughter, Laura, this week gave birth to his first grandchild, and some in the organization believe it is finally time he learned to change diapers.

"The only guy who's going to decide whether I'm coming back or not is one man," Lasorda said. "And that man's name is Peter O'Malley."

"If he wants me back, I would be more than honored. If he doesn't, I'll say, 'Thanks for the memories,'" Johnson said.

Lasorda was named Dodger manager at the end of the 1976 season. He is now the longest-serving active major-league manager with the same team.

O'Malley is quiet for now, but losing Lasorda would mean no more late-night pasta dinners and no more prayers to the "Big Dodger in the sky."

"He's been a fixture here for so many years," center fielder Brett Butler said. "No more Tommy? It'd be like part of the building falling off."

He is attractive to other clubs because he could handle Dwight Gooden and Darryl Strawberry with the Mets in the 1980s and apparently has not lost his touch.

Late this season, for instance, Reds outfielders Sanders and Gant were both afflicted by head games. Each was on the verge of a 30-30 season (30 homers, 30 stolen bases), but they began swinging for the moon and failing.

Johnson called them in and settled their nerves, and it was Sanders who — after shortstop Chad Fowles' foolish two-out throwing error Wednesday night — homered to the deepest portion of center field.

"Is there any scenario I'll be back?" Johnson asked. "No. Even if we win the World Series? No, it's kind of cut and dried. But I'm happy for Ray. It'll be a good ballclub next spring, probably as strong a club coming into the season as I've ever had."

Lasorda's club, meanwhile, is just as loaded, and that is precisely the problem.

The Dodgers — with all of their exquisite talent — barely won the National League West, are underachieving in these playoffs and have only Hideo Nomo (who starts Friday night) between them and a Cincinnati sweep.

Lasorda is 68, cameras have caught him napping in the dugout twice this season, and owner Peter O'Malley has yet to draw up a new contract for him.

What is more, his daughter, Laura, this week gave birth to his first grandchild, and some in the organization believe it is finally time he learned to change diapers.

"The only guy who's going to decide whether I'm coming back or not is one man," Lasorda said. "And that man's name is Peter O'Malley."

"If he wants me back, I would be more than honored. If he doesn't, I'll say, 'Thanks for the memories,'" Johnson said.

Lasorda was named Dodger manager at the end of the 1976 season. He is now the longest-serving active major-league manager with the same team.

O'Malley is quiet for now, but losing Lasorda would mean no more late-night pasta dinners and no more prayers to the "Big Dodger in the sky."

"He's been a fixture here for so many years," center fielder Brett Butler said. "No more Tommy? It'd be like part of the building falling off."

When the inning ended, the crowd of 50,063 booted the Rockies.

After failing to beat Greg Maddux and Tom Glavine, the Rockies now must face John Smoltz, who has been Atlanta's most reliable pitcher in the playoffs this decade.

In 10 playoff appearances, Smoltz is 5-1 with a 1.94 earned run average. The Rockies will counter Friday night with Bill Swift, who was 9-3 with the Rockies this year but has a sore shoulder. Swift will have surgery after the season's final out.

Rockies' Raw Glare of Inexperience

By Jay Privman

New York Times Service

will be played. They are scheduled to begin Friday, pending the field condition in the wake of the hurricane earlier this week.

The Rockies insist they can play with the Braves, the winner of the East Division four of the last five years, but seven innings does not a game make. In the first two games, the Braves scored the game-winning run in the ninth.

So, Colorado's manager, Don Baylor, can hang his head, lament, as he did Wednesday night that "the thing is we should be up 2-0 going to Atlanta." But the bottom line is that the Rockies' playoff inexperience is showing.

"We beat ourselves, not making plays," Baylor said. "The history is that when they beat us, we beat ourselves."

The Braves have a vastly superior starting pitching staff, a bullpen every bit as good because of the intimidating closer Mark Wohlers and the ability to find a new hero at the plate every night.

In Game 1, it was the rookie third baseman Chipper Jones, who knocked two home runs. In Game 2, the stars were Marquis Grissom, who homered twice, and Mike

Mordecai, the pinch-hitter who drove in the game-winning run when given the green light to swing on a 3-0 count in the ninth.

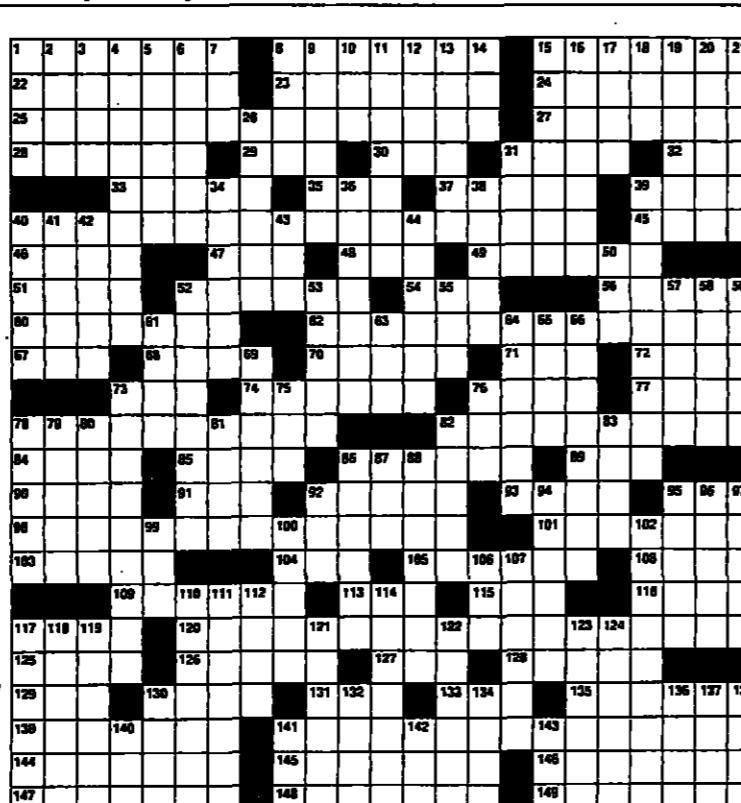
In Wednesday night's loss, the Rockies bailed back from a 3-0 deficit to take a 4-3 lead into the top of the ninth. But Jones led off with a double, then scored on Fred McGriff's bloop singlet to tie the score at 4-4. Two outs later, Mike Devereaux singled. Mordecai then lined Darren Holmes's fastball into center field to score McGriff and give the Braves a 5-4 lead. Atlanta added its final two runs when second baseman Eric Young threw the ball away on a grounder that should have been the final out.

When the inning ended, the crowd of 50,063 booted the Rockies.

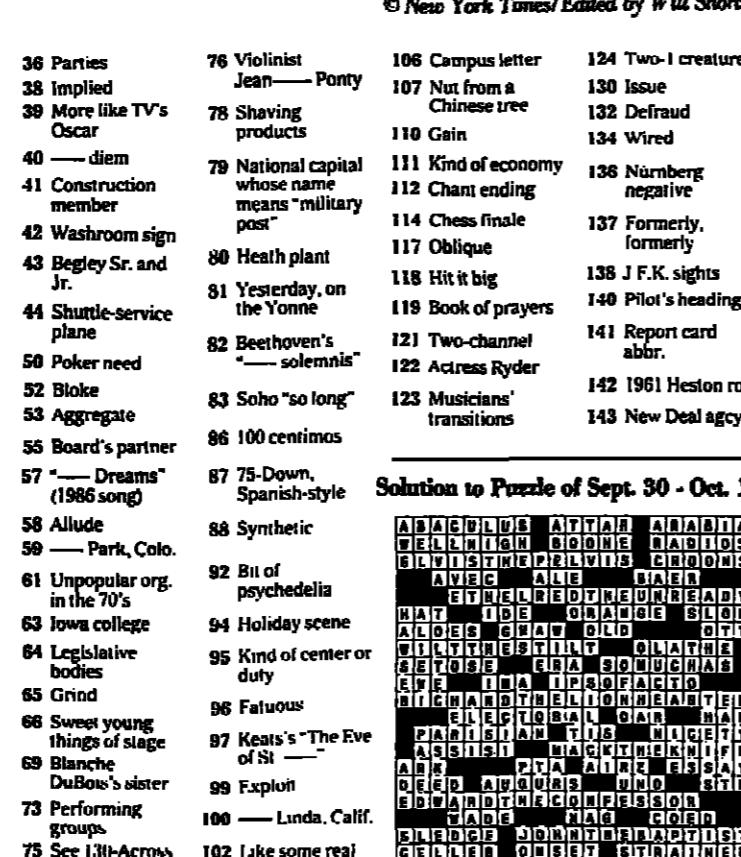
After failing to beat Greg Maddux and Tom Glavine, the Rockies now must face John Smoltz, who has been Atlanta's most reliable pitcher in the playoffs this decade.

In 10 playoff appearances, Smoltz is 5-1 with a 1.94 earned run average. The Rockies will counter Friday night with Bill Swift, who was 9-3 with the Rockies this year but has a sore shoulder. Swift will have surgery after the season's final out.

THREESOMES By Nancy Nicholson Joline



© New York Times / Edited by Will Shortz.



© New York Times / Edited by Will Shortz.

ESCAPES & GUIDES

BELGRAVIA ORCHIDS

LONDON PARKS GENEVA ZURICH

Spa, worldwide, reservations

Monaco • Milos • Paris • Gen-

eva • Berlin • Munich

Malaga • Rome • Vienna • London

ES. CALL 0043-1-795 7555

ES. CALL 0044-181-975 0365

INTERNATIONAL CLASSIFIED

(Continued From Page 17)

ARISTOCATS Escort Service

3 St. John St. London W1

0171 255 0900

milan@compuserve.com

DAVE BARRY

Look Out for Teenage Drivers

MIAAMI — My son is learning to drive. This terrifies me. He's 4 years old. Well, okay, technically he's 15. But from the perspective of the aging parent, there is no major difference between 4 and 15, except that when your child is 4, his motoring privileges are restricted to little toy Fisher-Price vehicles containing little toy Fisher-Price people who are unlikely (although I would not totally rule it out, in America) to sue you.

Whereas when your child turns 15, the state of Florida lets him obtain a permit that allows him to drive an actual car on actual roads, despite the fact that you can vividly remember when he slept on "Return of the Jedi" sheets. Of course there are restrictions: He must be accompanied by a licensed driver age 18 or over. But that does not reassure me. What that means to me is that, in the eyes of the state of Florida, it is perfectly O.K. for my son to be driving around accompanied only by Ted Kennedy.

I want tougher restrictions than that. I want the law to say that, if my son is going to drive, he must be accompanied by a licensed paramedic and at least two Supreme Court justices. Also I believe that, as a safety precaution, his car should be attached via a stout chain to a restraining device such as the Pentagon.

It's not that I think my son is a bad driver. He's actually a pretty GOOD driver, careful to signal his turns. That's what worries me: He'll be driving in Miami, where nobody else, including the police, does this. If Miami motorists were to see a turn signal, there's no telling how they'd react. They could become alarmed and start shooting.

And what if my son actually believes the official Florida state driver's manual when it says that the left lane is for passing only? Not here in Miami, it isn't!

The driving public here apparently believes that there is some kind of deadly voodoo curse on the right lane, so EVERYBODY drives in the left lane here, at speeds ranging all the way from Indianapolis 500 down to Car Wash. This means that if you get behind somebody traveling at, say, Funeral Procession, and you want to pass, you have to disregard the driver's manual, risk the voodoo curse and use the right lane. UNLESS the driver in front of you is talking on a cellular telephone, because these people frequently receive urgent mandatory instructions from

whomever they're talking to, such as "SWERVE ACROSS ALL AVAILABLE LANES IMMEDIATELY!"

But what really scares me is that my son will want to drive a LOT. I know this, because I remember exactly how I felt when I got my driver's license, in 1963. I was a student at Pleasantville (New York) High School, where, if you were a male, cars were EXTREMELY important. There were two major religions: Ford and Chevy. Ford guys would curse "FoMoCo" (for "Ford Motor Co.") on decks; Chevy guys — this was considered extremely witty — would change it to read "FoNoGo." We found great wisdom in Beach Boys car songs, which are just like love songs to a woman, except they're (a) more passionate, and (b) more technically detailed.

At lunchtime we stood next to the circle in front of the high school and watched guys drive around slowly, revving their engines. Sometimes, if we were especially impressed with a car, we would spit.

I applied for my New York state driver's license the instant I was old enough, and the day it arrived — finally! — in the mail, I borrowed my mother's car, which was a Plymouth Valiant station wagon that could attain a top speed of 53 mph if dropped from a bomber. I didn't care; I had wheels.

I drove around at random for approximately the next two years. It made no difference to me where I was going. I was happy simply to be in motion, with the AM radio turned up loud and tuned to WABC in New York City, which would be playing, say, "He's So Fine" by the Chiffons: "He's so fine (Doo-lang doo-lang doo-lang)."

Wish he were mine (Doo-lang doo-lang doo-lang).

That handsome boy over there . . . And behind the wheel, with my arm draped casually out the window, I imagined that I WAS that handsome boy, not some dweeb driving his mom's Valiant. I was cool. I was DRIVING.

These days I'm never driving just to be driving. But my son will be, soon. He'll be out there every chance he gets, feeling so fine, cruising to nowhere, signaling his turns, playing his music, cranking it up when a good song comes on.

Yup, he'll be on the road a lot — a teenager, but still, in many ways, a human being. Please watch out for him.

Knight-Ridder Newspapers.

POSTCARD

Video Film Festival: A Peek at Life in the Raw

By Stephen Holden
New York Times Service

NEW YORK — Most people still tend to regard video art as either an impoverished stepchild of television and the movies or an adjunct of painting and sculpture. But the rebellious stepchildren in any establishment tend to be subversive.

And in engendering video art, a do-it-yourself form that seems invented to probe life's dirtier nooks and crannies, commercial television may have created the antithesis to its own high-gloss sales pitch.

Take Brian Springer's video documentary, "Spin," one of the high points of the Fourth New York Video Festival, which began Friday at the Walter Reade Theater and continues through Oct. 14.

The documentary, which will be shown

Oct. 13 and 14, is a revealing, sometimes embarrassing compilation of scenes of television personalities and politicians caught in unguarded moments that were transmitted to satellite dishes.

In "Spin," you see a slippery side of Larry King as he brazenly coaxes out the 1992 presidential candidates. Pat Robertson is shown receiving advice from an unseen spin doctor on how to deflect hostile questions on a call-in show.

While there are no smoking-gun revelations in the chitchat of famous people unknowingly caught on camera with open microphones, the accumulated scenes of spin-doctoring and power-mongering add up to a devastating critique of television's profound manipulativeness in the way it packages the news and politics.

"Aka Don Bonus," a crude but fas-

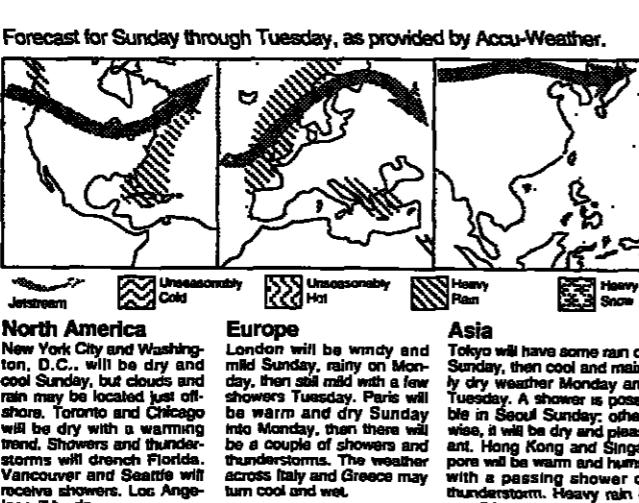
cinating documentary that will be shown Sunday and Wednesday, is unguarded in a different way. Sokly (Don Bonus) Ny, the film's subject, is an 18-year-old Cambodian refugee, a high school student who lives with his family in a crime-plagued housing project in San Francisco.

A far more polished work that is equally revealing is Kate Kirt and Nell Lundy's video documentary, "Jane: An Abortion Service." This oral history of a Chicago women's health collective that performed more than 12,000 illegal abortions from 1969 to 1973 conveys a powerful message of self-determination.

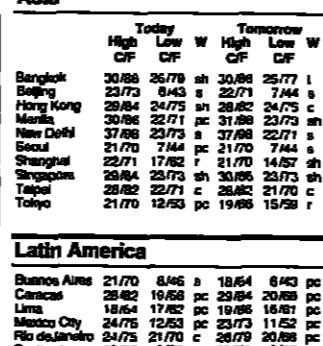
The 14 programs in the festival range from videos that explore the beauty and iconography of landscape, geography and architecture to personal essays on love, work, sex, race and class.

WEATHER

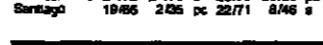
Europe



Asia



Latin America



North America



Middle East



Africa



PIRE CUISINE

Romantic sunsets.

Who could blame you
for missing Buffalo?



Be Careful, It's Mushroom Season Again

International Herald Tribune

PARIS — Diderot wrote in the *Encyclopédie* that mushrooms should be sent back to the dung heap where they are born, but he was a rare Frenchman. When the wild mushroom season opens here, the temptation to show off one's knowledge and to acquire something for free is irresistible, and sometimes fatal.

"Each year there are deaths but the press doesn't talk about them any more," a member of the Société Mycologique de France said at last Sunday's annual mushroom salon, which, suitably, is held at the Faculty of Pharmacy and attracts more visitors per square inch than the Cézanne exhibition at the Grand Palais.

The Mushroom Society has 1,800 members and in addition to the salon organizes weekend mushroom

MARY BLUME

walks in the Paris region. No longer can the *Ungulina* be found on the Ile Saint-Louis and specimens growing in the Tuilleries are usually trampled beyond recognition, but one member said he finds mushrooms in the Luxembourg gardens — "mycologically interesting," he added, "but not for the frying pan."

At the salon hundreds of varieties collected by members were displayed on paper plates on which colored napkins had been laid to indicate whether the mushroom was to be eaten (green), to be thrown out (yellow) or avoided (red). Warnings abounded: "Careful! Possible Confusion." "All Truly Toxic Mushrooms Have an Excellent Taste." The biggest crowd was around the Boletus — the celebrated *cèpe*, only three varieties of which are toxic.

Names are no help: the Death Trumpet is perfectly safe and the false *girolle* is better to eat than the true *girolle*, which smells of apricots. The inky Black is edible but provokes congestion, humming in the ears and reddening of the face if the eater touches wine or hard liquor the same day.

Amateur mycologists trust to their noses as well as their eyes although to the uninformed the predominant smell is of old socks. It isn't easy since one expert has listed 275 identifiable odors: one mushroom is described as smelling of flour, another of rancid flour, another of caterpillars and yet another of old candle grease. *Amanita citrina* smells of raw potatoes, the lethal *Amanita phalloides* smells sweetly of old roses.

The *Amanita* family is among the trickiest: *Amanita caesarea* is considered one of the finest eating mushrooms but may have got its name when Agrippina served them to the Emperor Claudius, mixing in a few *Amanita* phalloides in a successful attempt to put her son Nero on the throne.

Amanita phalloides, the death cap mushroom, accounts for more than 90 percent of fatalities and, in addition to being pleasantly fragrant, is particularly handsome, with a cap in subtle Armari khaki-gray and a fresh creamy underside. A lethal dose for a man weighing 80 kilograms is 50 grams, according to Jean Bourdelles' "Les Champignons," and death may occur within 24 hours. By contrast, *Corticinus ornatulus* takes several months to kill and a massive dose of 300 grams is required to do the deed.

Wild mushrooms may be an efficient way of unloading an unwanted mother-in-law — "The Murderer Awaits in the Woods" an old newspaper headline once read — but the chief attraction of mushroom picking, according to one member of the mycological society, is that they are free. Legislation on mushroom picking is disturbingly vague: Article 547 of the Civil Code states that the fruits of the earth belong to the person who owns it but a ministerial directive of 1979 advises landowners to be tolerant of intruders.

In the south of France, where passion is notoriously unbridled and where, in addition to the *cèpe* the delicious *sanguin* is an autumn joy, mushroom violence is an annual event. "Aggressed By Mushroom Hunters," ran a recent headline in Nice-Matin, telling how a landowner in the Var had been beaten up on his own property, which then led to a municipal ruling that mushroom pickers must leave an identity card and car number at the police station before setting off on their hunt. Further east, in the Mercantour area of the Alpes-Maritimes, there used to be



ing 80 kilograms is 50 grams, according to Jean Bourdelles' "Les Champignons," and death may occur within 24 hours. By contrast, *Corticinus ornatulus* takes several months to kill and a massive dose of 300 grams is required to do the deed.

Wild mushrooms may be an efficient way of unloading an unwanted mother-in-law — "The Murderer Awaits in the Woods" an old newspaper headline once read — but the chief attraction of mushroom picking, according to one member of the mycological society, is that they are free. Legislation on mushroom picking is disturbingly vague: Article 547 of the Civil Code states that the fruits of the earth belong to the person who owns it but a ministerial directive of 1979 advises landowners to be tolerant of intruders.

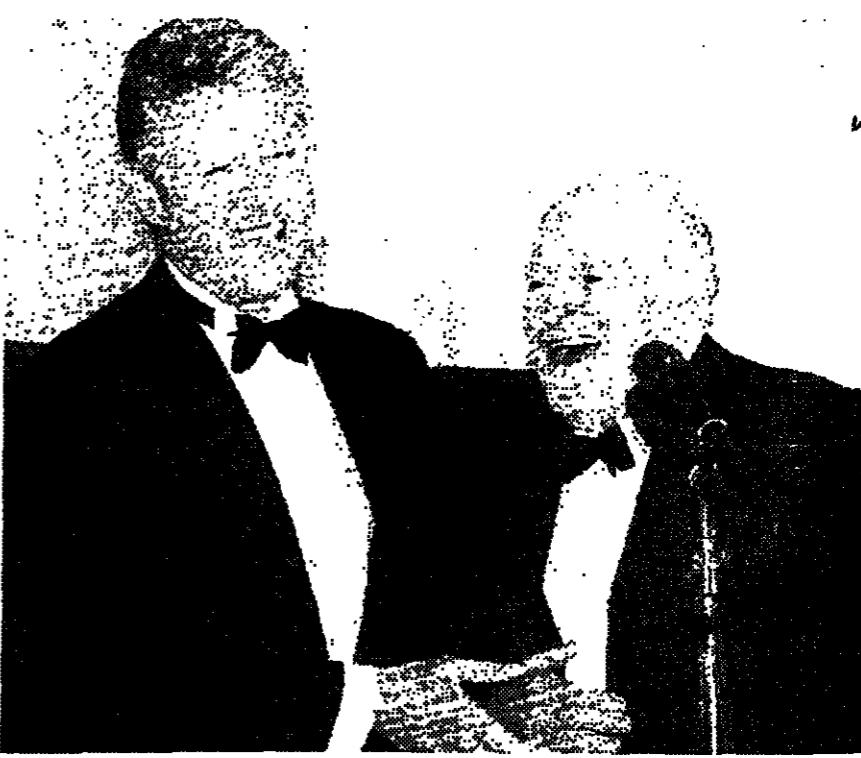
In the south of France, where passion is notoriously unbridled and where, in addition to the *cèpe* the delicious *sanguin* is an autumn joy, mushroom violence is an annual event. "Aggressed By Mushroom Hunters," ran a recent headline in Nice-Matin, telling how a landowner in the Var had been beaten up on his own property, which then led to a municipal ruling that mushroom pickers must leave an identity card and car number at the police station before setting off on their hunt. Further east, in the Mercantour area of the Alpes-Maritimes, there used to be

annual warnings about Italians who crossed the border — sometimes by taxi — to pick mushrooms that are rightfully French. Now the situation has degenerated to the point where even decent French citizens transgress and the tiny village of Moulinet has regrettably been obliged to take strong measures against mushroom rustlers.

Residents of Moulinet may continue to forage at will but nonresidents must buy a permit for 100 francs and foreigners must pay 400 francs. "Our aim is to eradicate professional mushroom thieves, some of whom come armed with rakes," the assistant mayor told Nice-Matin.

Mushroom police now patrol the area and arrest those whose baskets or plastic bags contain more than the authorized maximum of five kilograms. Gendarmes so far have seized two perpetrators each carrying 10 kilograms of *sanguin*, which cost about 140 francs on the spot and, *pour l'exemple*, were obliged to watch while their prize was reduced to dust before their very eyes.

PEOPLE



President Clinton and Bob Hope share a laugh during arts awards dinner.

CHINESE officials at the Sundance Film Festival in Beijing denied that one of China's most famous film directors, Zhang Yimou, had been advised not to attend the New York Film Festival. "He's free to go anywhere he wants to," said an official of China's Film Bureau, when asked about Zhang's decision not to attend. His latest film, "Shanghai Triad," had been chosen for the opening slot at the event. "It can't be helped," Zhang told reporters when asked why he declined to go to New York. None of his films are being shown at the Beijing festival, which is sponsored by the Utah-based Sundance Institute, founded by actor-director Robert Redford, and by the Chinese Film Bureau.

□

Queen Elizabeth II only suffered a mild bruise but was that grouse really a "kamikaze" killer? So said the front page of the tabloid *The Sun*. In any event, the grouse did not survive and the queen did when a shot bird spiraled from the sky on a misty morning and brushed off the Queen's shoulder, as Buckingham Palace described the event. It happened two weeks ago when the queen and her guests were walking with the shooting party at Balmoral, her Scottish estate, where she spends vacations each summer. The queen, 69, shrieked when she was hit by the bird but soon laughed it off, the newspaper said.

□

President Clinton presented the 1995 National Medals of the Arts and the Charles Frankel Prizes to a group of the most distinguished U.S. artists, authors and performers. When Bob Hope received his award — after the president noted he was cited in the Guinness Book of Records as the world's most honored comedian — the 92-year-old entertainer broke protocol and took the microphone but there were no jokes. He just wanted to talk golf and to thank the president for joining him at a charity golf tournament early this year. Hillary Rodham Clinton vowed to help defend the arts from the congressional budget ax "no matter what."

□

A man convicted of stealing Marla Maples Trump's shoes and lingerie has been arrested again, this time accused of repeatedly sending photos of her by fax to

80 percent of his wealth.

□

A 1912 poster urging Britons to sail on the Titanic on its fateful maiden voyage has

been sold for £7,650 (\$12,110). Christie's auctioneers said. The poster for the White Star Line features a four-funnel vessel and calls the Olympic and Titanic "the largest steamers in the world." The Titanic, supposedly unsinkable, struck an iceberg and sank off Newfoundland in April 1912 and more than 1,500 people died. The poster was found folded in a chest in an attic in Sheffield, England, earlier this year and was bought by a British collector of memorabilia.

□

If Katharine Hepburn has an urge to take a nostalgic trip on the African Queen, she won't have to go far. The famed steamboat used in the 1951 movie "The African Queen," starring Hepburn and Humphrey Bogart, will be on the Connecticut River this month and close to Old Saybrook, where Hepburn lives. Boat owner James W. Hendricks of Key Largo, Florida, usually rents the African Queen out for more than \$3,000 but will charge only \$20 for rides as part of an event honoring Connecticut steamboat pioneers.

With AT&T USA Direct® and World Connect® Service, you can place calls to the U.S. (and over 205 countries) quickly and easily just take your calling card, dial the AT&T Access Number for the country you're in, and you'll be connected to an English-speaking operator or voice prompt within seconds. You'll be home in no time.

EUROPE

Armenia* 01-014111
Australia* 02-903-0111
Belgium* 0-800-180-10
Bulgaria 00-1800-0010
Croatia* 99-385-4288
Czech Republic* 00-420-00101
Denmark 6001-0010
Finland 9990-180-10
France 19-001
Germany 0130-0010
Gibraltar 8808

Greece 00-800-1311
Hungary* 00-800-01111
Iceland 300-9003
Ireland 1-800-550-000
Italy* 177-101-277
Lithuania* 80196<br